

The following-named officers to the rank of commissioned warrant officers in the Navy in the grades indicated:

CHIEF RADIO ELECTRICIAN

Holt, Robert L.

CHIEF PAY CLERKS

Day, Donald J. Kroger, Raymond M.
Harter, August J. McKenney, Charles V.
Hiatt, Donald A.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 17 (legislative day of April 21), 1947:

COAST AND GEODETIC SURVEY

Lewis V. Evans III, junior hydrographic and geodetic engineer, with rank of lieutenant (junior grade), from April 29, 1947.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 17, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, the author of light and power, with whom there is no variable-ness, neither shadow of turning, as the duties of another day await us, send forth the spirit of Thy truth upon our pathways. As Thou dost encamp about us, be Thou the guardian of our thoughts and keep us with unswerving fidelity at the altar of the sanctities of public office and private life. As custodians of our Government, inspire us with courage, that we may rekindle confidence in the breasts of all faithless and mistaken men.

O God, let Thy manifold blessings be upon our beloved Speaker and all others who share the responsibilities of the Congress. Unfold unto us Thy long, long purpose for humanity, that our land may be led into Thy righteous morning.

In the Master's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate has passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 310. An act to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia;

H. R. 360. An act for the relief of the legal guardian of Francis Eugene Hardin, a minor;

H. R. 468. An act to amend section 115 of the Internal Revenue Code in respect of distributions by personal holding companies;

H. R. 620. An act for the relief of Blanche E. Broad;

H. R. 651. An act for the relief of the estate of Robert W. Alexander;

H. R. 723. An act for the relief of the legal guardian of Hunter A. Hoagland, a minor;

H. R. 765. An act for the relief of Elwood L. Keeler;

H. R. 888. An act for the relief of certain owners of land who suffered loss by fire in Lake Landing Township, Hyde County, N. C.;

H. R. 925. An act for the relief of Therese R. Cohen;

H. R. 1065. An act for the relief of the estate of Thomas Gambacorto;

H. R. 1221. An act for the relief of Eva Bilobran;

H. R. 1237. An act to regulate the marketing of economic poisons and devices, and for other purposes;

H. R. 1444. An act to admit the American-owned ferry *Crosline* to American registry and to permit its use in coastwise trade;

H. R. 1412. An act to grant to the Arthur Alexander Post, No. 68, the American Legion, of Belzoni, Miss., all of the reversionary interest reserved to the United States in lands conveyed to said post pursuant to act of Congress approved June 29, 1938;

H. R. 1482. An act for the relief of the legal guardian of Glida Cowan, a minor;

H. R. 1624. An act to authorize payment of allowances to three inspectors of the Metropolitan Police force for the use of their privately owned motor vehicles, and for other purposes;

H. R. 1874. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes;

H. R. 2207. An act to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes;

H. R. 2237. An act to correct an error in section 342 (b) (8) of the Nationality Act of 1940, as amended;

H. R. 2257. An act for the relief of Southeastern Sand & Gravel Co.;

H. R. 2353. An act to authorize the patenting of certain public lands to the State of Montana or to the Board of County Commissioners of Hill County, Mont., for public-park purposes;

H. R. 2368. An act to amend paragraph 8 of part VII, Veterans Regulation No. 1 (a), as amended, to authorize an appropriation of \$3,000,000 as a revolving fund in lieu of \$1,500,000 now authorized, and for other purposes;

H. R. 2352. An act to provide for the addition of certain surplus Government lands to the Otter Creek recreational demonstration area, in the State of Kentucky;

H. R. 2872. An act to amend further section 4 of the Public Debt Act of 1941, as amended, and clarify its application, and for other purposes;

H. R. 3143. An act to authorize the construction, operation, and maintenance of the Paonia Federal reclamation project, Colorado;

H. R. 3151. An act to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.;

H. R. 3197. An act to authorize the Secretary of the Interior to contract with the Mancos water conservancy district increasing the reimbursable construction-cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period;

H. R. 3348. An act to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella division of the All-American Canal irrigation project, California;

H. R. 3604. An act to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects;

H. J. Res. 188. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the dead of the First Infantry Division, United States Forces, World War II; and

H. J. Res. 210. Joint resolution to extend the time for the release, free of estate and gift tax, of certain powers, and for other purposes.

The message also announced that the Senate had passed, with amendments in

which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 811. An act for the relief of J. F. Powers;

H. R. 1628. An act relinquishing to the State of Illinois certain right, title, or interest of the United States of America, and for other purposes;

H. R. 1997. An act to provide seniority benefits for certain officers and members of the Metropolitan Police force and of the Fire Department of the District of Columbia who are veterans of World War II and lost opportunity for promotion by reason of their service in the armed forces of the United States;

H. R. 2369. An act providing for the suspension of annual assessment work on mining claims held by location in the Territory of Alaska; and

H. R. 2545. An act to provide funds for cooperation with the school board of the Mo-clips-Aloha District for the construction and equipment of a new school building in the town of Mo-clips, Grays Harbor County, Wash., to be available to both Indian and non-Indian children.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 28. An act to supersede the provisions of Reorganization Plan No. 3 of 1946 by reestablishing the offices of registers of land offices, and providing for appointment of the Director and Associate Director of the Bureau of Land Management, and for other purposes;

S. 30. An act to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev.;

S. 263. An act to provide for the carrying of mail on star routes, and for other purposes;

S. 358. An act to provide for settling certain indebtedness connected with Pershing Hall, a memorial in Paris, France;

S. 394. An act authorizing the issuance of a patent in fee to Raymond Wesley Doyle;

S. 395. An act authorizing the issuance of a patent in fee to Richard Jay Doyle;

S. 396. An act authorizing the issuance of a patent in fee to Thurlow Grey Doyle;

S. 397. An act authorizing the issuance of a patent in fee to Lawrence Stanley Doyle;

S. 398. An act authorizing the issuance of a patent in fee to Spencer Burgess Doyle;

S. 399. An act authorizing the issuance of a patent in fee to Gladys May Doyle;

S. 403. An act authorizing the issuance of a patent in fee to Gideon Peon;

S. 451. An act to authorize the Federal Works Administrator through the Commissioner of Public Buildings to provide space to accommodate the needs of the District Court of the United States for the District of Columbia, and for other purposes;

S. 483. An act to relocate the boundaries and reduce the area of the Gila Federal reclamation project, and for other purposes;

S. 484. An act to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land;

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.;

S. 751. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1948, and for other purposes;

S. 753. An act to authorize the Secretary of the Interior to defer the collection of certain irrigation construction charges against lands under the Flathead Indian irrigation project;

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes;

S. 851. An act for the relief of Belmont Properties Corp.;

S. 924. An act to credit active service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen's and firemen's relief fund, District of Columbia;

S. 966. An act to authorize the establishment of the District Educational Agency for Surplus Property in the Municipal Government of the District of Columbia, and for other purposes;

S. 1056. An act to amend the Servicemen's Readjustment Act of 1944, as amended, so as to permit adjustment of benefits authorized by section 1506 thereof and similar benefits extended by governments allied with the United States in World War II;

S. 1124. An act to amend the Boiler Inspection Act of the District of Columbia;

S. 1185. An act to provide for the disposal of materials on the public lands of the United States;

S. 1218. An act to stimulate volunteer enlistments in the Regular Military Establishment of the United States, and for other purposes;

S. 1262. An act to provide a central authority for standardizing geographic names for the purpose of eliminating duplication in standardizing such names among the Federal departments, and for other purposes;

S. 1265. An act to amend sections 1301 and 1303 of the Code of Law for the District of Columbia, relating to liability for causing death by wrongful act;

S. 1266. An act to amend section 1064 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, relating to admissibility of testimony by a party to a transaction when the other party is incapable of testifying;

S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct;

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes;

S. 1360. An act for the relief of Eric Seddon;

S. 1392. An act to prescribe certain dates for the purpose of determining eligibility of veterans for vocational rehabilitation, and for education, training, guaranty of loans, and readjustment allowances under the Servicemen's Readjustment Act of 1944, as amended;

S. J. Res. 113. Joint resolution authorizing the erection in the District of Columbia of a memorial to the Marine Corps dead of all wars;

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas;

S. J. Res. 124. Joint resolution to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration liquidation; and

S. J. Res. 125. Joint resolution to strengthen the common defense and to meet industrial needs for tin by providing for the maintenance of a domestic tin-smelting industry.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3123. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1948, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference

with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WHERRY, Mr. GURNEY, Mr. BALL, Mr. CORDON, Mr. HAYDEN, Mr. THOMAS of Oklahoma, and Mr. O'MAHONEY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. ARNOLD and Mr. SEELY-BROWN asked and were given permission to extend their remarks in the RECORD.

Mr. FOOTE asked and was given permission to extend his remarks in the RECORD relating to H. R. 1.

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Saturday edition of the Chicago Daily News entitled "Press Did Duty in Picturing Destruction of Potatoes."

Mr. MORTON asked and was given permission to extend his remarks in the RECORD and include some extraneous material.

Mr. WEICHEL (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD in two instances.

Mr. MASON asked and was given permission to extend his remarks in the RECORD on the Stratton bill and to include an editorial.

Mr. MCCONNELL asked and was given permission to extend his remarks in the RECORD concerning an investigation last year by the Committee on Merchant Marine and Fisheries and include a letter from the Comptroller General.

Mr. ALBERT asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. MILLER of California asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. KENNEDY asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. GRANT of Indiana asked and was given permission to extend his remarks in the RECORD and include an article by Lawrence Sullivan.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include an item from the Idaho Daily Statesman.

Mr. CROW, Mr. BRYSON, Mr. FLANNAGAN, Mr. ALLEN of Illinois, and Mr. KEATING asked and were given permission to extend their remarks in the RECORD.

Mr. ANGELL. Mr. Speaker, on yesterday I was granted permission to extend my remarks in the RECORD and include an article. I am informed by the Public Printer that this will take 3 pages of the RECORD and will cost \$213, but I ask unanimous consent that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

REDUCTION IN INCOME-TAX PAYMENTS

The SPEAKER. The unfinished business is the further consideration of the

veto message of the President on the bill (H. R. 1) to reduce individual income-tax payments.

The question is, will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, I know of no measure that has been before Congress in years that has been more discussed in the press and in the Halls of Congress than the bill H. R. 1. I think we are pretty well agreed that the message we are about to act upon is more or less unusual, and filled with sophistry, but I do not think anything is to be gained by further discussion. Therefore, I move the previous question.

The previous question was ordered.

The SPEAKER. Under the Constitution, this vote must be determined by the yeas and nays.

The question was taken; and there were—yeas 268, nays 137, not voting 24, as follows:

[Roll No. 82]

YEAS—268

Allen, Calif.	Devitt	Johnson, Ill.
Allen, Ill.	D'Ewart	Johnson, Ind.
Allen, La.	Dirksen	Jones, Ohio
Anderson, Calif.	Doiliver	Jones, Wash.
Andresen,	Domengeaux	Jonkman
August H.	Dondero	Judd
Andrews, N. Y.	Donohue	Kean
Angell	Dorn	Kearney
Arends	Elliott	Keating
Arnold	Ellis	Keefe
Auchincloss	Ellsworth	Kersten, Wis.
Bakewell	Elsaesser	Kilburn
Banta	Elston	Kilday
Barrett	Engel, Mich.	Knutson
Bates, Mass.	Engle, Calif.	Kunkel
Beall	Fallon	Landis
Bender	Fellows	Lane
Bennett, Mich.	Fenton	Larcade
Bennett, Mo.	Fletcher	Latham
Bishop	Foote	Lea
Blackney	Fulton	LeCompte
Boggs, Del.	Gamble	LeFevre
Bolton	Gathings	Lemke
Boykin	Gavin	Lewis
Bradley	Gearhart	Lodge
Bramblett	Gillette	Love
Brehm	Gillie	McConnell
Brooks	Goff	McCowan
Brophy	Goodwin	McDonough
Brown, Ohio	Graham	McDowell
Buck	Grant, Ind.	McGarvey
Buffett	Griffiths	McGregor
Bulwinkle	Gross	McMahon
Burke	Gwynne, Iowa	McMillen, Ill.
Busbey	Hagen	MacKinnon
Butler	Hale	Macy
Byrnes, Wis.	Hall,	Maloney
Canfield	Edwin Arthur	Martin, Iowa
Carson	Hall,	Mason
Case, N. J.	Leonard W.	Mathews
Case, S. Dak.	Halleck	Meade, Ky.
Chadwick	Hand	Meade, Md.
Chenoweth	Harness, Ind.	Merron
Chiperfield	Hartley	Meyer
Church	Hébert	Michener
Clason	Hedrick	Miller, Conn.
Clevenger	Herter	Miller, Md.
Clippinger	Heslton	Miller, Nebr.
Coffin	Hess	Mitchell
Cole, Kans.	Hill	Morrison
Cole, Mo.	Hinshaw	Morton
Cole, N. Y.	Hoeven	Muhlberg
Corbett	Hoffman	Mundt
Cotton	Holmes	Murray, Tenn.
Condert	Hope	Murray, Wis.
Cox	Horan	Nixon
Crawford	Howell	Nodar
Crow	Jackson, Calif.	Norblad
Cunningham	Javits	Norrell
Curtis	Jenison	O'Hara
Dague	Jenkins, Ohio	O'Konski
Davis, Ga.	Jenkins, Pa.	Owens
Davis, Tenn.	Jennings	Passman
Davis, Wis.	Jensen	Patterson
Dawson, Utah	Johnson, Calif.	Peterson

Philbin	Sadlak	Taber
Phillips, Calif.	St. George	Talle
Phillips, Tenn.	Sanborn	Taylor
Ploeser	Sarbacher	Thomas, N. J.
Plumley	Schwabe, Mo.	Thomas, Tex.
Potts	Schwabe, Okla.	Tibbott
Poulson	Scoblick	Tollefson
Preston	Scott, Hardie	Towe
Price, Fla.	Scott,	Twyman
Ramey	Hugh D., Jr.	Vall
Redden	Scrivner	Van Zandt
Reed, Ill.	Seely-Brown	Vorys
Reed, N. Y.	Shafer	Vursell
Rees	Short	Wadsworth
Reeves	Simpson, Ill.	Welchel
Rich	Simpson, Pa.	Welch
Riehlman	Smith, Kans.	West
Rizley	Smith, Maine	Wigglesworth
Robertson	Smith, Wis.	Wilson, Ind.
Robson	Snyder	Wilson, Tex.
Rockwell	Springer	Wolcott
Rogers, Fla.	Stefan	Wolverton
Rogers, Mass.	Stevenson	Wood
Rohrbough	Stockman	Woodruff
Ross	Stratton	Youngblood
Russell	Sundstrom	

NAYS—137

Abernethy	Gary	Mills
Albert	Gordon	Monroney
Almond	Gore	Morgan
Andersen,	Gorski	Morris
H. Carl	Gossett	Murdock
Andrews, Ala.	Granger	Norton
Barden	Grant, Ala.	O'Brien
Bates, Ky.	Gregory	O'Toole
Battle	Hardy	Pace
Beckworth	Harless, Ariz.	Peden
Blatnik	Harris	Pfeifer
Bloom	Harrison	Pickett
Bonner	Havener	Poage
Brown, Ga.	Hays	Price, Ill.
Bryson	Heffernan	Priest
Buchanan	Hendricks	Rabin
Buckley	Hobbs	Rains
Burleson	Hollfield	Rankin
Byrne, N. Y.	Huber	Rayburn
Camp	Hull	Rayfield
Cannon	Jackson, Wash.	Richards
Carroll	Jarman	Riley
Celler	Johnson, Okla.	Rivers
Chapman	Johnson, Tex.	Rooney
Chelf	Jones, Ala.	Sabath
Clark	Karsten, Mo.	Sadowski
Colmer	Kee	Sasser
Cooley	Kennedy	Sheppard
Cooper	Keogh	Sikes
Cravens	Kerr	Smathers
Dawson, Ill.	King	Smith, Va.
Deane	Kirwan	Somers
Delaney	Klein	Spence
Dingell	Lanham	Stanley
Doughton	Lesinski	Stigler
Douglas	Lusk	Teague
Drewry	Lyle	Thomason
Durham	Lynch	Trimble
Eberhart	McCormack	Vinson
Evins	McMillan, S. C.	Walter
Feighan	Madden	Wheeler
Fernandez	Mahon	Whitten
Fisher	Manasco	Whittington
Flannagan	Mansfield,	Worley
Fogarty	Mont,	Zimmerman
Folger	Marcantonio	
Forand	Miller, Calif.	

NOT VOTING—24

Bel	Fuller	Kelley
Bland	Gallagher	Lucas
Boggs, La.	Gifford	Mansfield, Tex.
Clements	Gwinn, N. Y.	Patman
Combs	Hart	Powell
Courtney	Jones, N. C.	Smith, Ohio
Crosser	Kearns	Williams
Eaton	Kefauver	Winstead

Mr. HALLECK. Mr. Speaker, I demand a recapitulation of the vote.

The SPEAKER. The Chair will grant the recapitulation.

Mr. SABATH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SABATH. Mr. Speaker, a Member having voted one way or the other cannot change his vote on the recapitulation?

The SPEAKER. A Member may correct his vote, but cannot change it.

The Clerk will call the names of those voting "yea."

The Clerk called the names of those voting "yea."

The SPEAKER. Are there any corrections to be made where any Member was listening and heard his name called as voting "yea" who did not vote "yea"? [After a pause.] The Chair hears none.

The Clerk will call the names of those voting "nay."

The Clerk called the names of those voting "nay."

The SPEAKER. Is there any Member voting "nay" who is incorrectly recorded? [After a pause.] The Chair hears none.

So (two-thirds not having voted in favor thereof) the veto of the President was sustained and the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gifford and Mr. Eaton for, with Mr. Kelley against.

Mr. Gallagher and Mr. Kearns for, with Mr. Clements against.

Mr. Fuller and Mr. Smith of Ohio for, with Mr. Williams against.

Mr. Gwinn of New York and Mr. Hart for, with Mr. Crosser against.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill, together with the accompanying papers, are referred to the Committee on Ways and Means and ordered to be printed.

The Clerk will notify the Senate of the action of the House.

Mr. KNUTSON. Mr. Speaker, the President's message of June 16, 1947, should go a long way to allay the fears of those who voted against the tax bill because of the fear that there would not be a sufficient surplus to provide both for tax relief and debt retirement. The President states that income payments to individuals are running at the record annual rate of \$176,000,000,000 and that "Despite many gloomy predictions, there is no convincing evidence that a recession is imminent." Assuming income payments of \$176,000,000,000, our present revenue is estimated by the staff to yield \$42,800,000,000, so this would leave a surplus of \$8,100,000,000 if expenditures were only reduced \$3,000,000,000 below the budget estimate.

The President states that income-tax reduction is not required now to permit necessary investment and business expansion. In making such a statement, he is flying into the teeth of the experience of businessmen throughout the country. Furthermore, the President is overlooking the fact that an increase in take-home pay, through tax reduction, will act as a deterrent to inflation which might be caused by wage increases.

When the President opposes a tax cut because it is inflationary, he must mean that he is afraid of an excess of purchasing power. And yet he argues that "the purchasing power of large groups of our people has been seriously reduced." He goes on to state that "adjustments in income production and prices" are "necessary." This is pretty vague language, but it seems to mean that the President

is in favor of going into individual plants and industries and forcing prices and wages down in order to maintain business at its present levels. His ability to carry out a policy of this sort without reinstituting the onerous system of wartime economic controls is open to very serious question.

It seems to me much better to maintain the flow of purchasing power by a tax cut which will put money in people's pockets and stimulate them to greater productive effort. This approach would leave with the worker the right to determine how his purchasing power shall be disposed of, which seems much more consistent with our American way of life. It is high time we followed a consistent policy of letting the people act for themselves instead of having the Government act for them.

The President would not act until our economic house is afire. He forgets that one of the primary purposes of tax reduction is to act as a stimulus to prevent a recession and that his Secretary of the Treasury testified that it takes at least a year for tax reduction to become fully effective.

The President stresses the size of the present huge public debt, and argues that every effort should now be made to reduce the debt as much as possible. The President overlooks the fact that debt reduction alone is not sufficient. The present economic situation requires tax reduction as well as debt retirement.

I wonder if the President has ever read the speech of Hon. Douglas Abbott, Minister of Finance, advocating individual income-tax reduction for Canada, effective July 1, 1947. Mr. Abbott emphasizes the point that quite apart from economic consideration tax reduction is necessary because of the resistance of the people to the further continuance of oppressive war taxation. He said:

Had our taxes been raised gradually and under normal conditions to their present levels, had they been increased for the productive, peacetime purposes of national development and social security rather than for the unproductive purposes of war, then the present levels might perhaps have been acceptable and tolerable as continuing levels. Instead, however, they represent a position to which we have returned after a sudden and unpleasant excursion into painful wartime levels of income tax, and people are still smarting so much from their wartime experience that even after the substantial reductions made in the last two budgets, the present levels of personal income taxes are regarded as excessive by a large proportion of the public. Therefore, what may be argued from the point of view of immediate economic effects or long-term debt policy, one must reach the conclusion that those who must bear them are not ready to support income taxes on the present scale. In fact, I am sure that were our present levels of personal income tax to be continued, they would constitute a serious impediment to a full working effort and a brake upon the drive and initiative of men and women in all groups and classes.

The American people spoke last November for tax reduction too. Why is the President deaf to their mandate?

The President complains that H. R. 1 gives a larger take-home pay to the family earning \$50,000 than to the family earning \$2,500. He does not bring

out the reason for this, namely, that taxes take only 3.8 percent of the take-home pay of a \$2,500 man, while they take 48 percent of the take-home pay of a man with \$50,000. Nor does he indicate why he did not raise this objection with reference to the Revenue Act of 1945 which brought a much larger increase in the take-home pay of the higher income groups than it did in the case of the lower income groups. This is shown by the following table:

Increase in take-home pay under the Revenue Act of 1945

MARRIED PERSON—2 DEPENDENTS

	Amount	Percentage increase
\$2,500.....	\$65	2.8
\$4,000.....	125	3.6
\$6,000.....	207	4.1
\$8,000.....	293	4.6
\$10,000.....	383	4.9
\$25,000.....	1,184	7.7
\$50,000.....	2,754	11.9
\$100,000.....	6,264	19.9
\$1,000,000.....	61,150	61.2

Note that under the act of 1945 the family with an income of \$2,500 received an increase in take-home pay of only 2.8 percent. The family with an income of \$50,000 got an increase of nearly 12 percent.

The President asks us to refrain from granting tax relief until a study of a long list of technical tax problems has been completed. He does not say how long this will take. However, the Secretary of the Treasury at the recent hearings before the Ways and Means Committee made it abundantly clear that the topics were difficult and the work would be time-consuming. Moreover, it is evident from the list of topics suggested for study that the individual income taxpayer is to be asked to wait for relief until satisfactory relief measures can be drawn up for corporations which were granted substantial relief under the Revenue Act of 1945.

As a matter of fact the President is merely fighting a delaying action. He does not want tax reduction now. He alleges that his reason is that it would be unwise to take hasty action. Yet in 1945 his party showed no such reluctance to act. In that year the Congress was asked to put through a bill in short order which included the elimination of the excess profits tax and substantial reductions in both corporate and individual income taxes. In 1945, the President and his party were willing to make a tax cut of \$6,000,000,000 in the face of a deficit of \$50,000,000,000 in the previous fiscal year. Now they are fearful of a cut of \$3,300,000,000 in the face of a surplus of \$1,250,000,000 predicted by the President himself for 1947, and anticipated revenues which will approach \$43,000,000,000 in 1948 if the economic forecast contained in the President's message is fulfilled.

In view of the President's warning against hasty action now, it should be recalled that in 1945 the administration recommended as a part of its tax reduction program the repeal of the war tax rates on excises which alone involved a revenue loss of \$1,100,000,000. Congress rejected this proposal on the ground that it represented an illogical selective ap-

proach to the problem of entire excise revision. Yet the administration which made that proposal is now unwilling to accept a general reduction of the extremely burdensome individual income tax rates which are still very near their wartime peak.

The inconsistencies which exist in the President's tax veto messages are shocking to observe. After carefully considering the President's arguments, in a sincere effort to determine whether the executive or the legislative branches of our Government are right in this economic measure, I have come to the conclusion that we are talking about two different things.

Apparently two sets of figures are being provided by the Government experts—one set to the President and an entirely different set to Congress.

First. The President justifies his veto on his budget statement January 10, 1947. He then proceeds to say that employment is at a peak and the national income has reached the rate of \$176,000,000,000. But in the budget estimate that national income was only \$166,000,000,000. Here for the first time we have proof from the executive branch that the national income will be closer to the figure set by the House Ways and Means Committee in calculating this tax reduction than the figure released by the President and his staff in the official budget statement.

Second. The President tells us that tax relief now will add to inflationary pressures. It will put money in the hands of the people and produce that pressure. Yet he seeks to take advantage of the unnatural price situation in this country to constantly advocate increased wages. That is good politics. But what is a tax reduction if it is not an increase in take-home pay?

Third. The President tells us that if tax reduction is voted now the amount available for reduction of the national debt would be entirely too low for this period of unparalleled high levels of peacetime income and employment. That is an admission that the President had no intention of making a substantial payment on the national debt until the Republican Congress began to cut his budget estimates for 1948.

It must not be overlooked that we are not depriving the President of money to make a substantial payment on the national debt. We are merely returning to the American taxpayers that amount of money which we will not spend on their Government in 1948. We are doing that by reducing the President's estimated budget for the next fiscal year—not by taking the money from the national debt payments. In addition, we are going to make a very large payment on the debt. The President forgets this little fact—the tax relief is coming exclusively through a reduction in Government expenditures, insisted upon by the Republicans in Congress.

Fourth. The President says the greatest relief is given the largest taxpayers. That is true in a dollar sense, but not in a percentage way. If we are ready to turn to totalitarianism, an even division

of the wealth of this Nation, so that no one would be able to operate a private business and everything will have to be owned and operated by the Government, that is the only way tax relief can be equal. And under those circumstances, it would not make a bit of difference whether we received any tax relief or not because none of us would be receiving our money from private resources; none of us would have enough dollar income to make it worth while to even consider a tax bill in Congress.

The President belied his own statements while he was serving in the United States Senate. He voted to override President Roosevelt's veto of the 1944 tax bill, and less than 2 years ago he accepted, while President, a \$6,000,000,000 tax relief bill for corporations. We now seek to aid 49,000,000 taxpayers by relieving them of just \$4,000,000,000 in taxes and the President rejects the plan on the basis that it is not an equitable tax program. Why is it equitable to vote tax relief for corporations one year and not equitable to give individuals some consideration in another year?

The real excuse will be found buried in the President's veto message where he says "we continue to be confronted with great responsibilities for international relief and rehabilitation." It is at that point that the President reveals the money we are saving by cutting Government costs will be used, not to help those who pay the bill, but to send overseas. It is simply a case where the President is afraid to be honest about our foreign commitments. Let him give us all the facts.

A HOT CHESTNUT

Mr. HOFFMAN. Mr. Speaker, in furtherance of the Truman doctrine, which, being interpreted, means "Truman in '48," the administration last week suggested that to insure our continued existence as a nation, it might be necessary to spend some twenty-four billion—not million—dollars to aid other nations threatened by communism.

The President was backed in this plan by Secretary of State General Marshall, a no mean politician in his own right. General Marshall, you may remember, has been something of a New Dealer. Roosevelt jumped him over his superiors in rank in order to get him to the top. He was Chief of Staff from September 1939 to November 1945.

Prior to that, he accompanied President Roosevelt to the sea conference in August of 1941 where the Atlantic Charter was formulated. He was personal representative of the President in China with the rank of ambassador. He participated in the conferences at Casablanca, at Quebec, at Cairo and Tehran, at Yalta, and at Potsdam.

Now, as Secretary of State and a part of the administration, the President's supporters cite his statements as being uncontradictable when they want to pressure Congress into action, forgetting that the general, with all his great knowledge and vast experience, which we all acknowledge, still can possibly make mistakes or have a lapse of memory, as he did when appearing before a

Senate committee and was unable for a long time to remember where he was just prior to and at the time of the receipt of the bad news from Pearl Harbor.

At long last, the political significance of the President's foreign policy is becoming recognized for what it is—a part, and no small one, of President Truman's campaign for renomination and election. Even those Republicans who, calling it bipartisan, claiming it was for the good of the Nation as a whole, swallowed it hook, line, and sinker, are now a little nauseated.

Internationally minded "me too" Republicans took a look at the President's \$24,000,000,000 trial balloon, a glance at their mail from home, put an ear to the ground, listened to the rumble coming in from the grass roots and belatedly—after the horse had been stolen—ventured a suggestion that the barn door should be locked, or at least that we take a look to see if we still had a horse.

Some announced in resounding oratorical phrases that, there being a possibility of national bankruptcy, we might well take an inventory and ascertain what we had left before we swallowed this latest tax-and-borrow-and-spend-in-other-countries political program which comes to us from Drs. Truman and Marshall, sugar-coated with the old pink or red label covering that we must like it and take it or Joe Stalin and the Communists will get us.

We have been frightened into two wars with political advantage to some, financial advantage to the money changers and munitions makers, but with grief, suffering and death to millions of the little people.

There is no satisfaction in saying "I told you so," but it is true that, for the past 2 years and more, many Republicans in Congress and individuals elsewhere, some timidly, others rather nastily, have suggested that, if the give-away boys continued stripping America, we might shortly find ourselves incapable of helping any other nation and might have a difficult, if not impossible, task of supplying our own people with jobs, homes, the necessities and comforts of life to which they have been accustomed, with things we must have if we are to defend ourselves.

While our protests and warnings have gone unheeded, at last we have distinguished company. The Press of June 16 captions its story on ex-President Hoover's letter to Senator BRIDGES "Loans imperil United States economy." In his letter, Mr. Hoover wrote:

But the greatest danger to all civilization is for us to impair our economy by drains which cripple our own productivity. Unless this one remaining Gibraltar of economic strength is maintained, chaos will be inevitable over the world.

A self-evident truth which we have called to the attention of Congress and spenders and internationalists many, many times during the past 5 years.

Can it be that at long last we are to have an awakening? That some of the internationalists have finally realized that there is a bottom in the barrel? That our supply of dollars and materials, including farm machinery which our own people need, is not inexhaustible? That

our parents have grown weary of sending their sons and daughters to fight and sometimes to die in the wholly destructive game of war played by world politicians? Have they at last discovered that you cannot with dollars buy everything—in this instance, peace?

Do they begin to see that Uncle Sam has been a sucker for every panhandling foreign nation which accepts all it can wheedle out of us, then behind our backs, sometimes openly, curses us as Shylocks because we are not being more generous? Have these statesmen learned that "the people" are getting on to the fact that, under the guise of a bipartisan foreign policy, we have been pulling some very hot chestnuts out of the fire for other countries?

Are some Republican "statesmen" beginning to feel foolish because the New Deal is outsmarting them—using them to win the '48 election while knocking the foundation from under our economy? Do they still fear deep down in their hearts that they might be classed as isolationists or nationalists if they thought and acted first in the interest of America instead of attempting to solve the problems of the whole world?

Do they fear the displeasure and the ostracism of the intelligentsia, the one-worlders, the do-gooders, and the internationalists? Of the throneless kings and queens?

To put it in a nutshell, are some of the world statesmen, whose words to me seem but as "sounding brass and tinkling cymbals," honestly and sincerely now convinced that it is a good thing if we first, in a common-sense, practical way, take a look at the whole picture with the thought that we do first and always the thing that will best protect our present and future national welfare, or are they just trimming their sails to the shifting political breeze?

Let us hope it is not the latter, and that the statesmen, the "big boys," have at last concluded that it might be well to take a look at the home front and keep here first the solid foundation on which our efforts to better and save the whole world may securely rest.

Judging by what some of them are now saying, they are not quite sure that our resources are inexhaustible—that our ability to tax and borrow and give is limitless. That a look at what we have left—at our ability to give—might be helpful.

Whether the present suggestion that we take an inventory is due to sound, if belated, thinking, or the good advice from the home folks, which at last has reached the ears of the statesmen, is immaterial. The suggestion is a good one.

Let us have an inventory of what we have left; an inventory not only of our natural resources, of materials, of our ability to produce, but an inventory of how much of our vaunted freedom and liberty, of our constitutional government, still remains.

Then let us think and act on the theory that our first allegiance is to the United States of America.

Before raking any more political chestnuts out of the European fireplace, before continuing to burn our fingers in that process, why not once more at least

consider the admonition of the Father of our Country, or, if we are to disregard it, count the cost and ascertain our ability, our willingness, to pay.

Mr. H. CARL ANDERSEN. Mr. Speaker, in a statement released on March 27, when H. R. 1, the so-called tax-reduction bill, passed the House, I said:

Today as the tax bill is before the House for final action, there is no definite assurance that sufficient cuts will be made in appropriations to provide for a moderate reduction in our national debt, or that adequate funds will be available to take care of the proposed \$3,800,000,000 reduction in taxes.

Democrats in the House have so consistently and effectively fought against any cuts in appropriations that today, as we near the completion of our work on the appropriation supply bills, we find that we will be fortunate if we do achieve a \$3,000,000,000 saving rather than the hoped-for \$6,000,000,000 below the President's budget of \$37,500,000,000.

Today we are also faced with the fact that the foreign situation is such that nobody knows how much will be required during the coming year in appropriations to stave off the further encroachment of communism. We may be forced to vote additional hundreds of millions of dollars whether we like it or not as aid to foreign nations.

Mr. Speaker, I cannot conscientiously vote, at this time, for any tax-reduction bill, with the picture as it is.

I have voted consistently to slash expenditures even where it has hurt. My vote against triple A individual payments is evidence of that fact. To me, the balancing of the budget, coupled with a moderate reduction of the national debt, are imperative. Neither are assured.

The requirements for our national defense and the necessary appropriations for the veterans of our Nation, will not permit us at this time, in my opinion, to reduce taxes.

This tax-reduction bill is based entirely upon the hope that we will have a certain income during the coming fiscal year. Personally, I want to know definitely that that income is assured. The need for a tax reduction at this time is not so urgent but that such action can be delayed until next January or February, at which time the picture of our fiscal situation will be far more clear than it is today.

THE PRESIDENT'S VETO MESSAGE IS
PURELY POLITICAL

Mr. JENKINS of Ohio. Mr. Speaker, the President's veto of H. R. 1, commonly known as the tax-reduction bill, is no surprise to me. When the Ways and Means Committee called for hearings on this bill early in January 1947, it was only natural that the first witness to be called before the committee would be John Snyder, Secretary of the Treasury. At that time Mr. Snyder opposed the reduction of personal income taxes and opposed the reduction of any taxes. His reason or his excuse at that time was that it was not the right kind of a tax-reduction bill and that it was not the right time to reduce taxes. I felt at that time that he was the spokesman of the President and the New Deal

administration, and that he had the full approval of the President when he made that statement, and that the President would veto any tax-reduction bill that Congress might adopt. I cross-examined Mr. Snyder extensively at the time he appeared before our committee, and I was strengthened in my belief that the President would veto any tax bill. It was evident to me, and I think to every other person who was giving the matter any attention, that the President and Mr. Snyder would prevent tax reduction by a Republican Congress this year of 1947 because they were bound and determined that any tax reduction made should be made in 1948 because 1948 would be a Presidential election year. In other words, there was no doubt in my mind last January, and there never has been any doubt in my mind, that the President and his administration were putting off all tax-reduction plans until 1948, when he would come forward with a tax plan of his own and insist on its passage and claim credit for tax reduction.

At no time since this tax-reduction program has been before the people has the President or his Secretary of the Treasury come forward with any plan of tax reduction. And neither of them has made any effort to reduce taxes in this year of 1947.

In his veto message he did not make any recommendation as to when or how he expects to reduce taxes. He makes some references in his message to the method of tax reduction employed in H. R. 1, and these references are demagogic, because they leave an unfair impression. For instance, he says:

H. R. 1 reduces taxes in the high-income brackets to a grossly disproportionate extent as compared to the reduction in the low-income brackets. A good tax-reduction bill would give a greater proportion of relief to the low-income group.

As a matter of fact, H. R. 1 does reduce taxes in the low-income brackets at a very much greater percentage rate than the taxes are reduced in the higher-income brackets.

Under the Constitution the Congress is given control of the purse strings of the Nation. It was always intended that the Congress should provide the revenues and that the expenditures of the revenues should be left to the Executive under the directions laid down by Congress through the passage of laws.

Not from the foundation of the Republic had any President vetoed a tax bill passed by Congress until the days of Franklin D. Roosevelt. It will be remembered that in February 1944 President Roosevelt vetoed the tax bill passed in that year in very insulting language. This language was so caustic and unfair that Senator BARKLEY, who was then the Democratic leader in the Senate, resigned his position as majority leader and declined to follow the President, and made a very castigating speech in which he became very personal in his denunciation of the President and his efforts to cast a reflection upon the Congress. After Senator BARKLEY had made his speech, President Roosevelt wrote the famous "Dear ALBEN" letter.

Both branches of Congress immediately and overwhelmingly voted to override President Roosevelt's veto. At that time Mr. Truman was a Senator, and he voted with his colleagues to override that veto. No doubt at that time he felt that this tradition against vetoing tax bills should not be broken.

By reason of the fact that the House of Representatives today failed by three votes to override President Truman's veto by the required two-thirds majority, the income taxpayers of the country have been denied the tax reduction to which they are justly entitled. The fact that a large number of Democrats voted with the Republicans to override the President's veto is very significant. It indicates that in the minds of the great majority of the Representatives of the people, the President's position is not the right position.

In the Senate, H. R. 1 was passed by a large majority, but because the House failed to override the President's veto, the Senate will not take a vote on the veto.

The Ways and Means Committee of the House of Representatives and likewise the Finance Committee of the Senate and the membership of the Senate have worked long and faithfully in an effort to bring to the people the tax relief which they deserve. H. R. 1 would have given a substantial reduction to persons making small incomes and would have given a smaller reduction to those who made large incomes. Both branches of the Congress were anxious that this bill should become a law because they felt that it was for the best interest of the people and for the Nation generally that Congress take from the people a part of the heavy burden of taxation that Congress was compelled to place upon the people to carry on the war. In other words, Congress felt that now that the war is over the burdens of the war should be removed from the people who are carrying a terrifically large load of taxation.

The responsibility of keeping this burden upon the people will rest upon the President. I prophesy that his insincerity in this respect will be proven conclusively and that early in 1948 he will recommend the passage of a law carrying a reduction of personal income taxes. In his veto message which he sent to the Congress on yesterday, he says:

The right kind of tax reduction, at the right time, is an objective to which I am deeply committed. But I have reached the conclusion that this bill represents the wrong kind of tax reduction at the wrong time.

No doubt early in 1948, just a few months from now, he will think that that is the proper time to reduce taxes and he will proceed to recommend a program. I dare say that there will be no material difference in the economic situation of the country at that time as against what it is at this time. The President has shown clearly that he expects to take political advantage of this situation.

I feel that the House of Representatives has today failed to measure up to the standard heretofore set for it by all

preceding Congresses. Never before in the history of the Nation has any President been able to take from the Congress the control of the purse strings. Today Congress, by its failure to repel the President's incursion into the constitutional rights and prerogatives of the House of Representatives, has permitted a blot to be placed on its escutcheon. To those who voted to sustain the President in his usurpation of the right of Congress to control the purse strings of the Nation, will surely come a sense of self-condemnation. No more can they proudly claim that they have always defended the Congress against the unjust and unreasonable usurpation of the rights of the legislative branch of the Government by the executive branch. I cannot see how those who come from those States which have boasted so proudly of their championship of State rights, can square themselves with their vote in sustaining the President.

The Republican Party, supported by many loyal Democrats, has every right to be proud of the fight that it has made to bring to the people fair tax relief. The President must assume the full responsibility for his actions. The Republican Party will continue its efforts to cut down Government expenditures and to reduce taxes.

The President may think that by his veto of the tax bill he will be able to carry on the old tax, tax, tax—spend, spend, spend—elect, elect, elect, program of Mr. Roosevelt and his extravagant New Deal. This extravagance will not be tolerated nor encouraged by the Republicans in Congress. On the contrary, the people may expect to see the Republicans continue to slash extravagances and to encourage economical and efficient Government.

VETO OF TAX BILL

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, when the President transmitted the 1948 budget to the Congress, he recognized that under the wartime tax system "millions of taxpayers with small incomes are called upon to pay high taxes. When the time comes for taxes to be reduced these taxpayers will have a high priority among the claimants for tax relief." The response to that recommendation of the President was the rich man's tax reduction bill.

Now, Mr. Speaker, the President has vetoed this measure as tax reduction of the wrong kind at the wrong time. I certainly concur that this is the wrong way to reduce taxes. The only equitable way to reduce income taxes is to increase exemptions, and when the time does arrive when it is advisable to consider tax reduction, I shall urge the enactment of my bill H. R. 2577, which would increase personal exemptions by \$200. As has been pointed out, H. R. 1 would give the most to those who need it the least. Who can justify voting to

override the veto of the President in order to provide a \$19 an hour increase in take-home-pay of the fourteen hundred and one taxpayers with incomes of more than \$300,000, while providing an increase in take-home-pay to the 47,000,000 taxpayers in the \$5,000 bracket of less than 5 cents an hour.

Yes, Mr. Speaker, H. R. 1 is openly a rich man's bill. The Republican proponents admit that it is intended to stimulate managerial incentive and the investment of venture capital and they urged that this can best be done by granting tax windfalls to persons with incomes above \$10,000. H. R. 1, standing alone, is a bill which the President, in good conscience, could not sign. But how much worse does H. R. 1 seem in view of the present drive of the majority to impose a host of excise taxes, which in reality are Federal sales taxes. An effort has been made to disguise the shift in tax burden by calling the sales tax a special war-debt-retirement tax, and the chairman of the Committee on Ways and Means himself, in the current hearings now under way, has referred to this scheme in the words I have used. Moreover, he has appointed the Wall Street lawyer, Mr. Magill, and the New York banker and multimillionaire, John Hanes, to advise the Committee on Ways and Means on tax matters. An able assistant will be Mr. J. Cheever Cowdin, the tax counsel for the National Association of Manufacturers. The financial journals of Wall Street have referred to the Magill appointment as underscoring the Republican trend to a sales tax. The Wall Street Journal of June 11, 1947, says:

The emphasis in Congress is shifting from tax relief to tax-law revision, meaning redistribution of the tax burden.

Mr. Speaker, the House has just voted on more than the veto message of the President today. It has passed on the program of the Republican Party to reduce income taxes upon the rich and replace them with sales taxes upon the poor.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, no truer words were ever written than those of the President that H. R. 1 "represents the wrong kind of tax reduction at the wrong time."

H. R. 1 passed the House over the protests of the Democratic Members that it is economically unsound, inequitable, and untimely legislation; that it cuts taxes at a time when any possible budgetary surplus should be devoted entirely to debt retirement; and "it gives greatest relief to those who need it the least."

Events that have transpired since H. R. 1 was passed by the House substantiate the views of the minority on this ill-advised Republican tax grab for the rich. The record of employment for May is the highest in our peacetime history. Mr.

Speaker, if at a time of highest national income and highest employment we cannot begin substantial debt retirement when will we be able to do so?

And the expenditures side of the Federal budget are no more certain for 1948 than they were on March 27. At that time the Democrats urged that it was foolish to cut taxes without knowing what our foreign commitments would be. After Secretary Marshall's speech at Harvard on June 5, it appears to me that tax reduction now along the lines of H. R. 1 might very well amount to scuttling the bipartisan foreign policy which has been the singular achievement of the Eightieth Congress.

Moreover, the Wall Street Journal for June 11, 1947, admits the defeat of the Republican majority in making any substantial reductions in the President's budget. Under the heading "Tax report—a special summary and forecast of Federal and State tax developments," the Journal says:

Big budgets threaten to hamper tax reduction for at least 2 years.

Despite strenuous Republican trimming, it now appears that Federal spending in the 1948 fiscal year will not be less than \$34,000,000,000 and may be closer to \$35,000,000,000. Enthusiastic economy advocates hope to trim two or three billion dollars from this figure in the following fiscal period. This assumes no new large demand for foreign aid—and that is a big assumption.

Under these circumstances, how can it be questioned that now is the wrong time for tax reduction?

Now, it is even more apparent that H. R. 1 is the wrong kind of tax reduction. This bill was bad enough when presented to the Congress simply as a bill to reduce income taxes primarily upon the rich. You cannot escape the facts. The President says in his veto message:

Under H. R. 1 tax savings to the average family with an income of \$2,500 would be less than \$30, while taxes on an income of \$50,000 would be reduced by nearly \$5,000, and on an income of \$500,000 by nearly \$60,000.

And again:

Insofar as take-home pay is concerned under H. R. 1, the family earning \$2,500 would receive an increase of only 1.2 percent; the family with an income of \$50,000 would receive an increase of 18.6 percent; and the family with an income of \$500,000 would receive an increase of 62.3 percent.

But while H. R. 1 stands naked before us in its inequity, let us see what is coming up to replace the revenues lost by its enactment. As I stressed on the floor of the House a week ago, the Knutson theory of taxation is to provide this bonanza for the rich by substituting a host of Federal excise or sales taxes—which everyone knows falls heaviest on those least able to pay.

The conclusive evidence that this is the plan is the frequent reference of Republican Members to the sales tax and expansion of excise taxes in the current hearings of the Committee on Ways and Means, while Roswell Magill and John Hanes, of Wall Street, both sales-tax men have been selected to advise the committee to write the 1948 tax bill. Mr. Speaker, a vote to sustain the President's veto is a vote against a sales tax.

EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was given permission to extend his remarks in the Appendix of the Record and include therein a speech delivered by Mr. Henry Wallace last night at the Water Gate.

Mr. REDDEN asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the Appendix of the Record and include a recent radio speech.

Mr. SADLAK asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. FOULSON asked and was given permission to extend his remarks in the Record.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the Record in two instances and include extraneous matter.

Mr. KEEFE asked and was given permission to extend his remarks in the Record and include an editorial.

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the Appendix of the Record and include an article on the retirement of General Eaker.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

NATURALIZATION OF CERTAIN ARMY PERSONNEL—YUGOSLAV FLIERS

The Clerk called the first bill on the Private Calendar, H. R. 1652, to provide for the naturalization of certain United States Army personnel—Yugoslav fliers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That upon compliance with all other provisions of section 701 or section 702 of the Nationality Act of 1940, as amended (56 Stat. 182-183; 8 U. S. C. 1001-1002), Vojislav N. Skakich, Army of the United States, Army serial No. O-2039144; Milosh M. Jelich, Army of the United States, Army serial No. O-2039139; Zivko T. Miloykovich, Army of the United States, Army serial No. O-2039141; Dejan D. Radich, Army of the United States, Army serial No. T-223285; Viktor A. Starc, Army of the United States, Army serial No. O-10600769; Momchilo M. Markovich, Army of the United States, Army serial No. O-884223; and Sava J. Milovanovich, Army of the United States, Army serial No. O-2039140, may be naturalized pursuant to either of said sections as may be applicable, notwithstanding the facts that at the time of their enlistment or induction into the military forces of the United States none of them had been lawfully admitted to the United States and none was a resident thereof, notwithstanding the fact that Momchilo M. Markovich did not serve in the military forces of the United States prior to December 28, 1945, and notwithstanding the further fact that the time for filing a petition for naturalization expired December 31, 1946.

With the following committee amendment:

Page 2, after line 15, insert the following: "Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the quota for Yugoslavia of the first year that the said quota is available in behalf of Viktor A. Starc and Sava J. Milovanovich."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERSIS M. NICHOLS

The Clerk called the bill (H. R. 1162) for the relief of Persis M. Nichols.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Persis M. Nichols, Grand Rapids, Mich., the sum of \$954.38. Such sum represents the amount to which the said Persis M. Nichols would have been entitled, for annual leave accumulated in the course of her employment in the judicial branch of the Government during the period beginning January 1, 1932, and ending August 24, 1946, in the provisions of the act entitled "An act to provide for vacations to Government employees, and for other purposes", approved March 14, 1936, as amended (U. S. C., 1940 ed., title 5, secs. 29a, 30b-30e, 30l, and 30m), had been held applicable to her employment during such period: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LULA WILSON NEVERS

The Clerk called the bill (H. R. 1508) for the relief of Mrs. Lula Wilson Nevers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lula Wilson Nevers, of Mount Pleasant, Iowa, the sum of \$20,298.67, in full settlement of all claims against the United States as the result of renting one Link-Belt crawler crane under equipment rental agreement No. 75, to the Iowa ordnance plant and Kansas ordnance plant of the War Department, said agreement entered into April 29, 1941: *Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$20,298.67" and insert in lieu thereof "\$10,100.43."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISSUANCE OF A PATENT IN FEE TO SPENCER BURGESS DOYLE

The Clerk called the bill (H. R. 1148) authorizing the issuance of a patent in fee to Spencer Burgess Doyle.

Mr. POTTS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGAL GUARDIAN OF GLENNA J. HOWREY

The Clerk called the bill (S. 254) for the relief of the legal guardian of Glenna J. Howrey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Glenna J. Howrey, a minor, of Pueblo, Colo., the sum of \$500, in full satisfaction of the claim of the said Glenna J. Howrey against the United States for compensation for personal injuries sustained by her as a result of an accident which occurred when she was struck by a United States mail truck at the intersection of East Fourth and Erie Streets in Pueblo, Colo., on December 27, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$500" and insert in lieu thereof "\$1,500."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALVA R. MOORE

The Clerk called the bill (S. 361) for the relief of Alva R. Moore.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alva R. Moore, of Section, Ala., the sum of \$2,000, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him on March 11, 1943, at the Huntsville Arsenal, Huntsville, Ala., as a result of handling in the course of his employment certain salvaged materials which were contaminated with mustard gas, after having been advised by a commissioned officer in charge of the salvage yard at the arsenal that the materials were not so contaminated: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN B. BARTON

The Clerk called the bill (S. 423) for the relief of John B. Barton.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the case of John B. Barton, of South Chicago, Ill., whose disability compensation under the Longshoremen's and Harbor Workers' Compensation Act of March 4, 1927, as amended, was terminated as of August 16, 1931, by a compensation order filed January 16, 1932, the Federal Security Administrator, in the administration of such act, is authorized and directed to review such case in the manner prescribed in section 22, as amended, of such act, and in accordance with such section to issue a new compensation order which may terminate, continue, reinstate, increase, or decrease such compensation notwithstanding the provisions of section 22 which limit the time for seeking review of an order.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. FRANK R. LOYD

The Clerk called the bill (S. 425) for the relief of Col. Frank R. Loyd.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Col. Frank R. Loyd, of Laramie, Wyo., (1) the sum of \$604.49, in full satisfaction of his claim against the United States for the difference between (a) the amount he was actually allowed as compensation for the value of the personal property which he lost as a result of the invasion of the Philippine Islands by the Japanese, and (b) the amount which the War Department has now determined should have been allowed to the said Col. Frank R. Loyd as compensation for the value of such property: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent thereof shall be paid or delivered to, or received by, any agent or attorney on account of services rendered in connection with these claims and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. IDA ELMA FRANKLIN

The Clerk called the bill (S. 620) for the relief of Mrs. Ida Elma Franklin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Ida Elma Franklin, of Phoenix, Ariz., the sum of \$1,000, in full satisfaction of all claims against the United States for compensation for personal injuries sustained by her and for reimbursement of hospital, medical, and other expenses incurred by her, as a result of an accident which occurred when she was struck by a United States Government vehicle, driven by an employee of the Department of Agriculture, on North Stone Avenue, Tucson, Ariz.,

on November 3, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. EDWARD H. ISENHART

The Clerk called the bill (S. 664) for the relief of Mr. and Mrs. Edward H. Isenhart.

Messrs. SMITH of Wisconsin and DOLLIVER objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

COLUMBIA HOSPITAL OF RICHLAND COUNTY, S. C.

The Clerk called the bill (H. R. 431) for the relief of the Columbia Hospital of Richland County, S. C.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Columbia Hospital of Richland County, Columbia, S. C., the sum of \$3,414.90. The payment of such sum shall be in full settlement of all claims of such hospital against the United States on account of hospital care and medical attention provided by such hospital, for the period beginning September 18, 1942, and ending December 31, 1945, to one Halsford V. Sharpe, a prisoner of the Bureau of Internal Revenue of the Department of the Treasury. The said Halsford V. Sharpe was placed in such hospital, on March 7, 1942, by two officers of the Bureau of Internal Revenue upon the agreement that the Department of the Treasury would pay all claims of such hospital relating to such care and attention, but such claims have not been paid. The Department of Justice assumed responsibility for and paid all such claims which accrued during the period beginning March 7, 1942, and ending September 17, 1942, but disclaimed further liability. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BEN W. COLBURN

The Clerk called the bill (H. R. 645) for the relief of Ben. W. Colburn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ben. W. Colburn, of Tulare, Calif., the sum of \$4,529.55. The said Ben. W. Colburn, under contracts dated May 12, 1944, purchased certain smoke gen-

erators from the Treasury Department, and the amount above specified represents loss suffered by him by reason of the fact that, notwithstanding representations made as to the usable condition of such generators, most of them were so rusted, broken, or bent as to be beyond repair for any use.

With the following committee amendment:

At the end of the bill insert "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFER JURISDICTION UPON CERTAIN KENTUCKY CLAIMS

The Clerk called the bill (H. R. 988) to confer jurisdiction upon the District Court of the United States for the Western District of Kentucky to hear, determine, and render judgment upon the claims of certain property owners adjacent to Fort Knox, Ky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction conferred upon the District Court of the United States for the Western District of Kentucky to hear, determine, and render judgment for the respective amounts of such damages as may be found to have been sustained or suffered by landowners who owned land in the vicinity of Fort Knox, Ky., prior to the time the Government acquired that site: *Provided*, That no claims shall be considered by the court of any landowner who acquired the property after the acquisition by the Government of this military reservation: *Provided further*, That such action or actions will be brought within 1 year from the date that this act shall become effective.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OWEN R. BREWSTER

The Clerk called the bill (H. R. 1737) for the relief of Owen R. Brewster.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Owen R. Brewster, Burnet, Tex., the sum of \$5,000. The payment of such sum shall be in full settlement of all claims of the said Owen R. Brewster against the United States on account of the death of his minor daughter, Francis N. Brewster, who died on September 19, 1943, as the result of personal injuries received on September 18, 1943, when the automobile in which she was riding was in collision with a United States Army truck on State Highway No. 281, near Lampasas, Tex.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same

shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVID HICKEY POST

The Clerk called the bill (H. R. 1800) for the relief of David Hickey Post, No. 235, of the American Legion.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the David Hickey Post, No. 235, of the American Legion, of St. Louis, Mo., the sum of \$292.50, in full settlement of all claims against the United States for expenses incurred in the buying and erecting in David Hickey Park, St. Louis, of a memorial monument, which later had to be removed from David Hickey Park, at the expense of said American Legion Post, No. 235, when such park was commandeered by the United States Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 7, strike out "\$292.50" and insert "\$275."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time; was read the third time, and passed, and a motion to reconsider was laid on the table.

GROWERS FERTILIZER CO.

The Clerk called the bill (H. R. 1930) for the relief of the Growers Fertilizer Co., a Florida corporation.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

J. C. BATEMAN

The Clerk called the bill (H. R. 2056) for the relief of J. C. Bateman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money not otherwise appropriated, the sum of \$3,096.98 to J. C. Bateman, of San Jose, Calif., in full settlement of all claims against the United States for property damage to an International pick-up truck and an Allis-Chalmers tractor and loader, sustained as the result of the crash of a United States Navy plane at the naval auxiliary air station, Alameda, Calif., on June 27, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or

attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, strike out "\$3,096.98" and insert "\$1,145."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MYRTLE RUTH OSBORNE ET AL.

The Clerk called the bill (H. R. 2306) for the relief of Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Myrtle Ruth Osborne, widow of Levi Osborne, deceased, the sum of \$9,000; to Marion Walts and Jessie A. Walts, father and mother of Beverly Gale Walts, deceased, the sum of \$2,000; to pay to Marion Walts \$1,500, and to Jessie A. Walts the sum of \$2,500, all of Louisville, Ky., in full settlement of all claims against the United States for the death of Levi Osborne and Beverly Gale Walts, and for injuries sustained by Myrtle Ruth Osborne, Marion Walts, and Jessie A. Walts, as the results of a collision between the automobile in which they were riding and a United States Army truck on State Highway No. 60, near Grahampton Bridge in Meade County, Ky., on November 6, 1943: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 7, strike out "\$9,000" and insert "\$7,000."

Page 1, line 9, strike out "\$1,500" and insert "\$1,000."

Page 1, line 10, strike out "\$2,500" and insert "\$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH W. BEYER

The Clerk called the bill (H. R. 2399) for the relief of Joseph W. Beyer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Joseph W. Beyer, the sum of \$50,000, in full settlement of all claims against the United

States for personal injuries incurred in an accident involving a Government lumber carrier which occurred on pier 1, Brooklyn Army Base Terminal, Brooklyn, N. Y., on August 25, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 6, strike out "\$50,000" and insert "\$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUTH A. HAIRSTON

The Clerk called the bill (H. R. 2434) for the relief of Ruth A. Hairston.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$500 to Ruth A. Hairston, of Urbancrest, Ohio, in full settlement of all claims against the United States for personal injuries and loss of earnings sustained as the result of an accident involving a United States Army vehicle on United States Highway No. 62, near Urbancrest, Ohio, on May 13, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 5, strike out "\$500" and insert "\$255."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF GEORGE WESLEY HOBBS, A MINOR

The Clerk called the bill (H. R. 2607) for the relief of the legal guardian of George Wesley Hobbs, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500 to the legal guardian of George Wesley Hobbs, a minor, of Weaver, Ala., in full settlement of all claims against the United States for personal injuries, medical and hospital expenses, and loss of earnings sustained as a result of an explosion of a grenade fuze in or near his home, which grenade fuze apparently had been thrown or

dropped near Weaver, Ala., by some unidentified trainee of the Thirteenth Battalion, Fourth Training Regiment, IRTC, Fort McClellan, Ala., which explosion occurred on May 26, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA MALAMA MARK

The Clerk called the bill (H. R. 1493) for the relief of Anna Malama Mark.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, Anna Malama Mark, of Honolulu, T. H., shall be considered to have been lawfully admitted on September 7, 1928, to the United States for permanent residence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARSENIO ACACIO LEWIS

The Clerk called the bill (H. R. 553) for the relief of Arsenio Acacio Lewis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, directed to record the lawful admission for permanent residence of Arsenio Acacio Lewis as of June 21, 1945, the date on which he was temporarily admitted to the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Philippine quota of the first year that such quota is available.

SEC. 2. The said alien shall be permitted to be naturalized in any court of naturalization jurisdiction upon the taking of the oath of allegiance prescribed in section 335 of the Nationality Act of 1940 (54 Stat. 1157; 8 U. S. C. 735).

With the following committee amendment:

Page 2, strike out section 2.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALICE SCOTT WHITE

The Clerk called the bill (H. R. 1486) to authorize and direct the Secretary of the Interior to issue to Alice Scott White a patent in fee to certain land.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Alice Scott White, a Crow Indian, allottee No. 953, a patent in fee to the north half and the north half of the south half of section 10, township 6 south, range 28 east, Montana principal meridian, containing 480 acres.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, upon the written application of Alice Scott White, Crow Indian allottee numbered 953, the Secretary of the Interior is hereby authorized and directed to sell to the highest Crow Indian bidder, or the Crow Tribe, under such terms and conditions as may be prescribed, that part of the homestead land of the said allottee described as the north half and the north half of the south half of section 10, township 6 south, range 27 east, Montana principal meridian, containing 480 acres."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ERLE E. HOWE

The Clerk called the bill (H. R. 2151) authorizing the Secretary of the Interior to issue a patent in fee to Erle E. Howe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Erle E. Howe a patent in fee to the following-described lands allotted to him on the Crow Indian Reservation, Mont.: The west half of section 10 and the north half of the northwest quarter of section 15, township 5 south, range 28 east, containing 400 acres; and the east half of the southwest quarter and the north half of the southeast quarter, and the north half of the south half of the southeast quarter of section 21; and the southwest quarter of section 22, township 8 south, range 38 east, Montana principal meridian, containing 360 acres.

With the following committee amendment:

Page 1, strike out lines 3 and 4 and insert the following: "That, upon the written application of Erle E. Howe, Crow Indian allottee No. 1555, the Secretary of the Interior is hereby authorized and directed to sell, for not less than the appraised value, to the highest Crow Indian bidder, or the Crow Tribe, under such terms and conditions as he may prescribe, the following."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH OCHRIMOWSKI

The Clerk called the bill (S. 50) for the relief of Joseph Ochrimowski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Joseph Ochrimowski, who arrived at the port of New York on January 22, 1946, as a stowaway, shall, upon the payment of the required head tax, be considered for the purpose of immigration and naturalization laws to have been lawfully admitted into the United States. Upon the enactment of the act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Polish quota for the first year the Polish quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANTONIO BELAUSTEGUI

The Clerk called the bill (H. R. 649) for the relief of Antonio Belaustegui.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Antonio Belaustegui as of December 21, 1929, at New York City from the steamship *Cabo Sta. Maria*, the date and place he entered the United States. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that the Spanish quota is hereafter available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KUO YU CHENG

The Clerk called the bill (H. R. 379) for the relief of Kuo Yu Cheng.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Kuo Yu Cheng, a native of Java and subject of the Netherlands, who entered the United States at Seattle, Wash., on October 6, 1931, and that he shall, for all purposes under the immigration laws, be deemed to have been lawfully admitted as an immigrant for permanent residence as of that date.

With the following committee amendment:

At the end of the bill add the following: "Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for the Chinese of the first year that the said quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT B. JONES

The Clerk called the bill (S. 317) for the relief of Robert B. Jones.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Robert B. Jones shall be considered to have been commissioned ensign, United States Naval Reserve, and placed on active duty as of December 8, 1941, to have continued on active duty in that rank until February 23, 1945, to have been promoted to the rank of lieutenant, junior grade, as of February 23, 1945, and to have served on active duty in that rank until February 28, 1946.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert B. Jones a sum of money equal to the active-duty pay and allowances due him by reason of the provisions of section 1 of this act: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violat-

ing the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN H. GRADWELL

The Clerk called the bill (S. 470) for the relief of John H. Gradwell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John H. Gradwell, of Meriden, Conn., the sum of \$211.30 in full satisfaction of his claim against the United States for compensation for damage to his automobile resulting from a collision with an Army vehicle in Hamden, Conn., on January 4, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGAL GUARDIAN OF SYLVIA DE CICCIO

The Clerk called the bill (S. 514) for the relief of the legal guardian of Sylvia De Cicco.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Sylvia De Cicco, a minor, of Jersey City, N. J., the sum of \$2,000, in full satisfaction of the claim of the said Sylvia De Cicco against the United States for compensation for personal injuries sustained by her as a result of an accident which occurred when she was struck by a United States Army sedan at 228 Princeton Avenue, Jersey City, N. J., on June 8, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT C. BIRKES

The Clerk called the bill (S. 561) for the relief of Robert C. Birkes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert C. Birkes, of Portland, Oreg., a former member of the

Navy, the sum of \$98, in full satisfaction of his claim against the United States for payment of the amount which the Price Administrator recovered from the former landlord of the said Robert C. Birkes because of overcharges for rent for the premises at 30 Linnaean Street, Cambridge, Mass., during the period March 1, 1945, to July 31, 1945; recovery of such sum by the said Robert C. Birkes having been prevented by the fact that he was ordered by the Navy to make a change of station soon after the overcharge was determined by the Office of Price Administration: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARION O. CASSADY

The Clerk called the bill (S. 824) for the relief of Marion O. Cassady.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Marion O. Cassady, of Louisville, Ky., a deputy United States marshal in the western district of Kentucky, the sum of \$276.30, in full settlement of all claims against the United States for property damages sustained by him on and about January 3, 1942, while in the discharge of his official duties as a deputy United States marshal: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A. A. PELLETIER AND P. C. SILK

The Clerk called the bill (S. 882) for the relief of A. A. Pelletier and P. C. Silk.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to A. A. Pelletier and P. C. Silk, of Great Falls, Mont., the sum of \$334.72, in full satisfaction of their claim against the United States for compensation for reporting and transcribing certain hearings held at Helena, Mont., during the period July 8 to July 16, 1946, by the Special Committee To Investigate Senatorial Campaign Expenditures, 1946, pursuant to Senate Resolution No. 224, Seventy-ninth Congress.

The bill was ordered to be read a third time, was read the third time, and

passed, and a motion to reconsider was laid on the table.

FRITZ HALLQUIST

The Clerk called the bill (H. R. 710) for the relief of Fritz Hallquist.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he hereby is, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to Fritz Hallquist, in full compensation for injuries sustained and damages suffered by him as a result of an accident which occurred June 16, 1944, on Elmwood Avenue, in the city of Warrick, R. I., and which accident involved the operation of a motor vehicle belonging to the United States Navy then and there being operated by an enlisted man in the United States Navy.

With the following committee amendments:

Page 1, line 5, strike out "\$10,000" and insert "\$3,747."

Line 6, strike out "compensation" and insert "settlement of all claims against the United States."

Line 10, strike out "Warrick" and insert "Norwood."

At the end of the bill, insert the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARENCE J. WILSON AND MARGARET J. WILSON

The Clerk called the bill (H. R. 718) for the relief of Clarence J. Wilson and Margaret J. Wilson.

Mr. POTTS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

EXTENSION OF REMARKS

Mr. ROONEY asked and was given permission to extend his remarks in the RECORD and include a speech by Senator WAGNER, of New York.

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in two instances and to include extraneous matter.

GENERAL LEAVE TO EXTEND ON THE TAX BILL

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks on the tax bill, H. R. 1.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

EXTENSION OF REMARKS

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD in two instances.

HOUSING AND RENT ACT OF 1947

Mr. WOLCOTT. Mr. Speaker, I call up the conference report on the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CALL OF THE HOUSE

Mr. PRICE of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. WOLCOTT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 83]

Bell	Engel, Mich.	Lyle
Bender	Fellows	Lynch
Bland	Fuller	Mansfield, Tex.
Bloom	Gallagher	Miller, Calif.
Boggs, La.	Gifford	Patman
Butler	Granger	Powell
Byrne, N. Y.	Harless, Ariz.	Richards
Byrnes, Wis.	Hart	Rivers
Celler	Hartley	Robson
Clements	Hill	Smith, Ohio
Cole, Kans.	Jackson, Calif.	Thomas, N. J.
Combs	Jensen	Thomason
Courtney	Jones, N. C.	Vinson
Crosser	Kearns	Vursell
Dawson, Ill.	Kefauver	Williams
Dawson, Utah	Kelley	Winstead
Dorn	King	Zimmerman
Eaton	Lucas	

The SPEAKER. On this roll call 374 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING AND RENT ACT OF 1947

The SPEAKER. The Clerk will read the statement of the managers on the part of the House.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 4.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 8, 9, 10, and 11.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

Strike out the word "and" following the comma at the beginning of said amendment.

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(5) the Housing Expediter shall prescribe by regulations: (1) the manner in which such housing accommodations shall be publicly offered in good faith for sale or rental to veterans of World War II or their families in accordance with the provisions of this section, and (11) exceptions to this section for hardship cases, including appropriate exceptions from the operation of paragraphs (3) and (4): *Provided*, That nothing contained in this Act shall affect or remove any veteran's preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of the enactment of this title."

And the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(c) For purposes of this section (1) the Housing Expediter shall prescribe by regulations the time as of which construction of housing accommodations shall be deemed to be completed, and (2) the term 'person' shall have the meaning assigned to such term in section 1 (b) (3) of this Act."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"DECLARATION OF POLICY

"SEC. 201. (a) The Congress hereby reaffirms the declaration in the Price Control Extension Act of 1946 that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy and would tend to prevent the attainment of the goals therein declared.

"(b) The Congress therefore declares that it is its purpose to terminate at the earliest practicable date all Federal restrictions on rents on housing accommodations. At the same time the Congress recognizes that an emergency exists and that, for the prevention of inflation and for the achievement of a reasonable stability in the general level of rents during the transition period, as well as the attainment of other salutary objectives of the above-named Act, it is necessary for a limited time to impose certain restrictions upon rents charged for rental housing accommodations in defense-rental areas. Such restrictions should be administered with a view to prompt adjustments where owners of rental housing accommodations are suffering hardships because of the inadequacies of the maximum rents applicable to their housing accommodations, and under procedures designed to minimize delay in the granting of

necessary adjustments, which, so far as practicable, shall be made by local boards with a minimum of control by any central agency.

"(c) To the end that these policies may be effectively carried out with the least possible impact on the economy pending complete decentralization, the provisions of this title are enacted.

"DEFINITIONS

"SEC. 202. As used in this title—

"(a) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of persons, or a legal successor or representative of any of the foregoing.

"(b) The term 'housing accommodations' means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, rooming- or boarding-house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

"(c) The term 'controlled housing accommodations' means housing accommodations in any defense-rental area, except that it does not include—

"(1) those housing accommodations, in any establishment which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and up-keep of furniture and fixtures, and bellboy service; or

"(2) any motor court, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect, or (B) which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented (other than to members of the immediate family of the occupant) as housing accommodations.

"(d) The term 'defense-rental area' means any part of any area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of such Act, in which maximum rents were being regulated under such Act on March 1, 1947.

"(e) The term 'rent' means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

"TERMINATION OF RENT CONTROL UNDER EMERGENCY PRICE CONTROL ACT OF 1942

"SEC. 203. (a) After the effective date of this title, no maximum rents shall be established or maintained under the authority of the Emergency Price Control Act of 1942, as amended, with respect to any housing accommodations.

"(b) On the termination of rent control under this title all records and other data used or held in connection with the establishment and maintenance of maximum rents by the Housing Expediter, and all predecessor agencies, shall, on request, be

delivered without reimbursement to the proper officials of any State or local subdivision of government that may be charged with the duty of administering a rent control program in any State or local subdivision of government to which such records and data may be applicable: *Provided, however*, That any such records or data shall be so made available subject to recall for use in carrying out the purposes of this title.

"RENT CONTROL UNDER THIS TITLE

"SEC. 204. (a) The Housing Expediter shall administer the powers, functions, and duties under this title; and for the purpose of exercising such powers, functions, and duties, and the powers, functions, and duties granted to or imposed upon the Housing Expediter by title I of this Act, the Office of Housing Expediter is hereby extended until February 29, 1948.

"(b) During the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however*, That the Housing Expediter shall, by regulation or order, make such adjustments in such maximum rents as may be necessary to correct inequities or further to carry out the purposes and provisions of this title: *And provided further*, That in any case in which a landlord and tenant, on or before December 31, 1947, voluntarily enter into a valid written lease in good faith with respect to any housing accommodations for which a maximum rent is in effect under this section and such lease takes effect after the effective date of this title and expires on or after December 31, 1948, and if a true and duly executed copy of such lease is filed, within fifteen days after the date of execution of such lease, with the Housing Expediter, the maximum rent for such housing accommodations shall be, as of the date such lease takes effect, that which is mutually agreed between the landlord and tenant in such lease if it does not represent an increase of more than 15 per centum over the maximum rent which would otherwise apply under this section. In any case in which a maximum rent for any housing accommodations is established pursuant to the provisions of the last proviso above, such maximum rent shall not thereafter be subject to modification by any regulation or order issued under the provisions of this title. No housing accommodations for which a maximum rent is established pursuant to the provisions of the last proviso above shall be subject, after December 31, 1947, to any maximum rent established or maintained under the provisions of this title.

"(c) The Housing Expediter is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area, if in his judgment the need for continuing maximum rents in such area no longer exists due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met.

"(d) The Housing Expediter is authorized to issue such regulations and orders, consistent with the provisions of this title, as he may deem necessary to carry out the provisions of this section and section 202 (c).

"(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are representative citizens of the area, to be appointed by the Housing Ex-

pediter, from recommendations made by the respective Governors. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area. The local boards may make such recommendations to the Housing Expediter as they deem advisable with respect to the following matters:

"(A) Decontrol of the defense-rental area or any portion thereof;

"(B) The adequacy of the general rent level in the area; and

"(C) Operations generally of the local rent office, with particular reference to hardship cases.

"(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(3) Within thirty days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in thirty days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"(4) Immediately upon the enactment of this Act the Housing Expediter shall communicate with the governors of the several States advising them of the provisions of this subsection and of the number and location of defense-rental areas in their respective States, and requesting their cooperation in carrying out such provisions.

"(f) The provisions of this title shall cease to be in effect on February 29, 1948.

"RECOVERY OF DAMAGES BY TENANTS

"SEC. 205. Any person who demands, accepts, or receives any payment of rent in excess of the maximum rent prescribed under section 204 shall be liable to the person from whom he demands, accepts, or receives such payment, for reasonable attorney's fees and costs as determined by the court, plus liquidated damages in the amount of (1) \$50, or (2) three times the amount by which the payment or payments demanded, accepted, or received exceed the maximum rent which could lawfully be demanded, accepted, or received, whichever in either case may be the greater amount: *Provided*, That the amount of such liquidated damages shall be the amount of the overcharge or overcharges if the defendant proves that the violation was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within one year after the date of such violation. For the purpose of determining the amount of liquidated damages to be awarded to the plaintiff in an action brought under this section, all violations alleged in such action which were committed by the defendant with respect to the plaintiff prior to the bringing of action shall be deemed to constitute one violation, and the amount demanded, accepted, or received in connection with such one violation shall be deemed to be the aggregate amount demanded, accepted, or received in connection with all violations. A judgment in an action under this section shall be a bar to a recovery under this section in any other action against the same defendant on account of any violation with respect to the same plaintiff prior to the institution of

the action in which such judgment was rendered.

"PROHIBITION AND ENFORCEMENT

"SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204.

"(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of subsection (a) of this section, he may make application to any Federal, State or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such subsection, still upon a showing by the Housing Expediter that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"MAINTENANCE OF ACTIONS FOR CERTAIN ALLEGED PAST VIOLATIONS

"SEC. 207. No action or proceeding, involving any alleged violation of Maximum Price Regulation Numbered 188, issued under the Emergency Price Control Act of 1942, as amended, shall be maintained in any court, or judgment thereon executed or otherwise proceeded on, if a court of competent jurisdiction has found, or by opinion has declared, that the person alleged to have committed such violation acted in good faith and that application to such person of the 'actual delivery' provisions of such regulation would result or has resulted in extreme hardship.

"PROPERTY, PERSONNEL, AND APPROPRIATIONS

"SEC. 208. (a) The records, property, personnel, and funds, relating primarily to rent control, transferred to the Housing Expediter by or pursuant to Executive Order Numbered 9841, dated April 23, 1947, may be used for the purpose of carrying out the powers, functions, and duties of the Housing Expediter under this title; except that any personnel so transferred who are found to be in excess of the needs of the Housing Expediter for the exercise of such powers, functions, and duties shall be separated from the service.

"(b) There are authorized to be appropriated to the Housing Expediter such sums as may be necessary to carry out the provisions of this act.

"EVICTION OF TENANTS

"SEC. 209. (a) No action or proceeding to recover possession of any controlled housing accommodations with respect to which a maximum rent is in effect under this title shall be maintainable by any landlord against any tenant in any court, notwithstanding the fact that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled unless—

"(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this Act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

"(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations;

"(3) the landlord has in good faith contracted in writing to sell the housing accommodations to a purchaser for the immediate and personal use and occupancy as housing accommodations by such purchaser;

"(4) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of substantially altering, remodeling, or demolishing them and replacing them with new construction, and the altering or remodeling is reasonably necessary to protect and conserve the housing accommodations and cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any construction planned; or

"(5) the housing accommodations are nonhousekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.

"(b) Notwithstanding any other provision of this Act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered: *Provided*, That nothing in this subsection shall be deemed to authorize the maintenance of any such action or proceeding upon the ground that the income of the occupants of the housing accommodations exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceeds the allowable maximum.

"ADMINISTRATIVE PROCEDURE ACT INAPPLICABLE

"SEC. 210. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after 'Selective Training and Service Act of 1940:' the following: 'Housing and Rent Act of 1947:'.

"APPLICATION

"SEC. 211. The provisions of this title shall be applicable to the several States and to the Territories and possessions of the United States but shall not be applicable to the District of Columbia.

"EFFECTIVE DATE OF TITLE

"SEC. 212. This title shall become effective on the first day of the first calendar month following the month in which this Act is enacted.

"SHORT TITLE

"SEC. 213. This Act may be cited as the 'Housing and Rent Act of 1947.'

And the Senate agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
HENRY O. TALLE,
PAUL BROWN,
MIKE MONRONEY,

Managers on the Part of the House.

C. D. BUCK,
JOE MCCARTHY,
HARRY P. CAIN,
JOHN SPARKMAN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 1 (a) of the House bill repealed sections 1 through 9 of Public Law 388, Seventy-ninth Congress.

The Senate amendment modified this provision so that section 2 (a) of such Act (providing for the Office of Housing Expediter) would continue in effect. The House recedes. By action on Senate amendment No. 14 the Office of Housing Expediter is extended, for purposes of this legislation, until February 29, 1948. Under the language of section 1 (a), the Housing Expediter will have the authority to administer and liquidate the existing obligations of the Government with respect to market guarantee agreements and premium payment regulations, including a premium payment regulation for merchant pig iron issued prior to the enactment of this act and extending through the calendar year 1947. Any such premium payment plan shall be within the \$65,000,000 estimated by the Housing Expediter as the total amount required of the \$400,000,000 authorization under section 11 of Public Law 388, Seventy-ninth Congress.

Amendment No. 2: This amendment made available \$10,000,000 for the construction and maintenance of access roads to standing timber on lands owned by or under the jurisdiction of an agency of Government, in addition to the sum made available for these purposes by subsection (c) of section 11 of Public Law 388. The Senate recedes, without prejudice to the consideration of this matter as a separate legislative proposal.

Amendment No. 3: Section 1 (b) of the House bill provided that its provisions were to be administered by the head of the department or agency designated to administer title II of the House bill. The Senate amendment provides in lieu thereof that the Housing Expediter shall administer section 1 (b). In view of the fact that under the conference agreement the Housing Expediter is to administer title II of the bill, the House recedes.

Amendment No. 4: Section 1 (b) of the House bill granted authority, upon the determination that there is a shortage, or that there is likely to be a shortage of building materials, for requiring a permit as a condition of constructing any building or facilities to be used for amusement or recreational purposes. The Senate amendment adds to the buildings or facilities for which such a permit could have been required those to be used for commercial other than housing purposes. The Senate recedes.

Amendment No. 5: This amendment excepts from the buildings or facilities for which a permit could have been required (see statement under amendment No. 4) buildings or facilities for use in connection with State or county fairs or agricultural, livestock, or industrial expositions or exhibitions, the net proceeds from which are used exclusively for improvement, maintenance, and operation of such expositions or exhibitions. The House recedes with a clerical amendment.

Amendment No. 6: Section 1 (b) (3) of the House bill incorporated by reference a definition of the term "person" for the purpose of the subsection. The Senate amendment sets forth this definition in full in section 1 (b) (3), and the House recedes.

Amendment No. 7: Section 2 of the House bill provided that title III of the Second War Powers Act, insofar as it authorized the making of allocations of building materials and of facilities relating to the utilization of building materials, should cease to be in effect on the date of enactment of this legislation. The Senate amendment strikes out this section. Since by recent legislation Congress has provided for the termination of the allocation authority under such title III on June 30, 1947, the House recedes.

Amendments Nos. 8, 9, 10, and 11: These amendments make clerical changes, and the House recedes.

Amendment No. 12: Section 5 of the House bill provided for a preference or priority to veterans of World War II or their

families in connection with the sale or rental of certain housing accommodations completed after the enactment of this legislation and prior to March 31, 1948. Paragraphs (1) and (2) prohibited rental or sale prior to the expiration of 30 days after completion of construction, for occupancy by persons other than such veterans or their families. Paragraph (5) of subsection (a) of this section contained requirements with respect to the advertising of the availability of such housing accommodations to veterans or their families. The Senate amendment strikes out paragraph (5) and substitutes a paragraph providing that the Housing Expediter shall prescribe by regulation: (1) The manner in which such housing accommodations shall be publicly offered in good faith for sale or rental to veterans of World War II, and (2) exceptions for hardship cases. The Senate amendment also contains a proviso to the effect that nothing in the Act shall affect or remove any veterans' preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of the enactment of this legislation. The House recedes with clarifying amendments, including an amendment to make it clear that the authority to make exceptions for hardship cases includes the power to make appropriate exceptions from the operation of paragraphs (3) and (4) of the subsection, which impose restrictions upon sale or rental at a price less than the price for which the housing accommodations referred to are offered to veterans or their families.

Amendment No. 13: The section described in the discussion of amendment numbered 12 above contained a subsection (c) providing that for the purposes of the section the head of the department or agency designated to administer title II should prescribe regulations as to the time as of which construction of housing accommodations shall be deemed to be completed; and also incorporated by reference the definitions of "person" and "housing accommodations" contained in title II. The Senate amendment substitutes the Housing Expediter for the head of the department or agency referred to in the House bill and incorporates the same definitions of the terms "person" and "housing accommodations", but without reference to title II of the House bill. The House recedes with an amendment eliminating the definition of "housing accommodations".

Amendment No. 14: This amendment is a complete substitute for the provisions of title II of the House bill, relating to maximum rent regulation. Title II of the House bill did not provide for further extension of the rent control provisions of the Emergency Price Control Act of 1942 (which expire June 30, 1947) but provided for new basic authority for rent regulation to continue until December 31, 1947, unless further extended, pursuant to determination by the President as to necessity for extension, until March 31, 1948. The Senate amendment, on the other hand, provides for continuance in effect of the rent control provisions of the Emergency Price Control Act of 1942 until February 29, 1948, but contains a number of amendments to the rent provisions of that act. The House recedes with a substitute amendment which follows the pattern of title II of the House bill. The substantive differences between title II of the House bill and the conference agreement on this amendment are explained below.

Period of continuation of controls: The difference between the House bill and the Senate amendment with respect to the period of continued rent control are explained above. Under the conference agreement (see sec. 204 (f)) rent control authority will terminate at the close of February 29, 1948.

Administration by Housing Expediter: Title II of the House bill provided for the designa-

tion by the President of the head of a department or agency of the Government (other than the Office of Price Administration or any other temporary agency) to administer the provisions of the title. The Senate amendment provides for administration of the continued rent authority by the Housing Expediter, and provides for continuing the Office of Housing Expediter until February 29, 1948, for purposes of the exercise of the rent control authority. The conference agreement on this amendment provides for administration of title II by the Housing Expediter, and, for such purpose, and for purposes of the exercise of the functions granted to the Housing Expediter by title I, continues the Office of the Housing Expediter in existence until the close of February 29, 1948.

Decontrol of certain housing accommodations: Section 202 (c) of the House bill, in the definition of "controlled housing accommodations", contained provisions exempting from rent control (1) those housing accommodations, in any establishment commonly known as a hotel in the community in which located, which are occupied by persons who are provided customary hotel services such as those therein specified; (2) motor courts, and tourist homes serving transient guests exclusively; (3) housing accommodations the construction of which or the conversion of which from existing residential use into housing use providing additional housing accommodations, is completed after the date of enactment of this legislation; and (4) housing accommodations which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented (other than to members of the immediate family of the occupant) as housing accommodations. These exemptions as contained in the House bill are retained without change under the conference agreement on this amendment, except that the provision referred to in clause (3) above has been changed, by adoption of language from the Senate amendment, so that the description of the property referred to is housing accommodations "the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947."

Increase in maximum rent through lease: Section 204 (b) of the House bill contained a proviso under which a tenant and landlord could voluntarily enter into a written lease in good faith, with respect to housing accommodations, providing for an increase of not more than 15 percent over the maximum rent which would otherwise apply under the rent control provisions of the section; but only (1) if the lease was entered into prior to March 31, 1948, (2) if the lease was one which was to expire on or after December 31, 1948, and (3) if a true and duly executed copy of such lease is filed, within 15 days after its execution, with the officer administering the rent control provisions. It was provided that, from the effective date of the lease, the maximum rent for the housing accommodations would be the amount so agreed on by the tenant and landlord; and that such maximum rent should not thereafter be subject to modification by any regulation or order issued under title II. It was further provided that no housing accommodations for which a maximum rent is established by such a lease should be subject, on or after the date the lease takes effect, to any maximum rent established or maintained under other provisions of section 204. The Senate amendment contains a provision similar to the House provision above described, but there were certain differences. The conference agreement on this amendment follows the House provision except that provisions from the Senate amendment have been adopted which make the following changes: (1) The lease must be entered into on or before December 31, 1947, and (2) in the case of

housing accommodations as to which a lease conforming to all the specified requirements is entered into, it is provided that such housing accommodations shall not be subject, after December 31, 1947, to any maximum rent established or maintained under the provisions of title II.

"Authority to issue regulations and orders: Section 204 (d) of the House bill gave the administering officer authority to issue such regulations and orders, consistent with the provisions of the title, as he may deem necessary to carry out the provisions of section 204. Under the conference agreement this authority also includes regulations and orders to carry out the provisions of section 202 (c).

Local boards: By the conference agreement on this amendment there has been included, as subsection (e) of section 204, a provision from the Senate amendment directing the Housing Expediter to create, in each defense-rental area, or such portion thereof as he may designate, a local advisory board which is to have jurisdiction to (1) make recommendations to the officials administering title II within its area with respect to individual adjustment cases, and (2) make recommendations to the Housing Expediter with respect to decontrol in the area; the adequacy of the general rent level in the area; and the operations generally of the local rent office, with particular reference to hardship cases. The members of such local boards are to be appointed by the Housing Expediter from recommendations made by the respective governors; and each board is to have sufficient members to enable the board promptly to consider individual adjustment cases coming before it. Recommendations of a local board must be approved or disapproved within 30 days after receipt thereof, or the local board shall be notified in writing the reasons why final action cannot be taken within 30 days. It is directed that any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendations into effect. Recommendations which are not approved will not, of course, be given any force or effect. The Housing Expediter is to furnish to local boards appropriate office space, stenographic assistance, records, and information. The Housing Expediter is directed to notify the governors of the several States of the enactment of this provision, advise them of the number and location of defense-rental areas in their States, and request their cooperation.

Local decontrol authority not included: Section 204 (e) of the House bill contained a provision that the governing body of any county, city, or town could in their discretion terminate rent control by a finding that the necessity therefor no longer exists. The Senate amendment did not include any such provision, and in the conference agreement on this amendment this provision has been omitted.

Records, personnel, and appropriations: The conference agreement on this amendment contains a provision that the records, property, personnel, and funds, relating primarily to rent control, transferred to the Housing Expediter by or pursuant to Executive Order No. 9841, dated April 23, 1947, may be used for the purpose of carrying out the powers, functions, and duties of the Housing Expediter under title II; and provides that personnel so transferred who are found to be in excess of the needs of the Housing Expediter for the exercise of such powers, functions, and duties shall be separated from the service. This is an adaptation of a provision in the Senate amendment, but with appropriate changes to conform to the pattern of title II as agreed to in conference.

Protection of tenants against eviction: The conference agreement retains the provisions of title II of the House bill relating to

protection of tenants against eviction, but there is included a provision from the Senate amendment, with modifications, providing that the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered. This authority is subject to the qualification, however, that such an action or proceeding will not be authorized on the ground that the income of the occupants exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceeds the allowable maximum.

Administrative Procedure Act: The House bill contained no exemption of functions from the Administrative Procedure Act. The Senate amendment contains a provision exempting from that act functions under the Emergency Price Control Act of 1942, as amended. Functions under the latter act are now exempt from the Administrative Procedure Act. Since the conference agreement does not provide for extension of the rent provisions of the Emergency Price Control Act, the conference agreement on this amendment provides for exempting from the Administrative Procedure Act the functions conferred by the legislation here proposed. This exemption is made because the functions are temporary.

TEXT OF THE BILL

For the convenience of the House there is set forth below the complete text of the bill as it will read pursuant to agreements reached in conference.

"An Act relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

"Be it enacted, etc.—

"TITLE I—AMENDMENTS TO EXISTING LAW

"SECTION 1. (a) Sections 1, 2 (b) through 9, and sections 11 and 12, of Public Law 388, Seventy-ninth Congress, are hereby repealed, and any funds made available under said sections of said Act not expended or committed prior to the enactment of this Act are hereby returned to the Treasury: *Provided*, That any allocations made or committed, or priorities granted for the delivery, of any housing materials or facilities under any regulation or order issued under the authority contained in said Act, and before the date of enactment of this Act, with respect to veterans of World War II, their immediate families, and others, shall remain in full force and effect.

"(b) (1) Whenever the Housing Expediter determines that there is a shortage, or that there is likely to be a shortage, of building materials, he may by regulation or order require of any person or persons a permit as a condition of constructing any building or facilities to be used for amusement or recreational purposes, other than a building or facilities constructed for use in connection with a State or county fair or an agricultural, livestock, or industrial exposition or exhibition, the net proceeds from which are used exclusively for improvement, maintenance, and operation of such exposition or exhibition.

"(2) It shall be unlawful for any person to do or omit to do any act in violation of any regulation or order prescribed under authority of this subsection. Any person who willfully violates the provisions of this paragraph shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or to imprisonment for not more than two years, or to both such fine and imprisonment.

"(3) As used in this subsection, the term 'person' includes an individual, corporation, partnership, association, or any other organ-

ized group of persons, or a legal successor or representative of any of the foregoing.

"SEC. 2. Section 603 (a) of the National Housing Act, as amended, is amended by striking out 'June 30, 1947' wherever appearing therein and inserting in lieu thereof 'March 31, 1948'.

"SEC. 3. Title VI of the National Housing Act, as amended, is amended by adding the following new section at the end thereof:

"SEC. 609. (a) In order to assist in relieving the acute shortage of housing which now exists and to promote the production of housing for veterans of World War II at moderate prices or rentals within their reasonable ability to pay, through the application of modern industrial processes, the Administrator is authorized to insure loans to finance the manufacture of housing (including advances on such loans) when such loans are eligible for insurance as hereinafter provided.

"(b) Loans for the manufacture of houses shall be eligible for insurance under this section if at the time of such insurance, the Administrator determines they meet the following conditions:

"(1) The manufacturer shall establish that binding contracts have been executed satisfactory to the Administrator, providing for the purchase and delivery of the number of houses to be manufactured with the proceeds of the loan;

"(2) Such houses to be manufactured shall meet such requirements of sound quality, durability, liability, and safety as may be prescribed by the Administrator;

"(3) The borrower shall establish to the satisfaction of the Administrator that he has or will have adequate plant facilities, sufficient capital funds taking into account the loan applied for, and the experience necessary, to achieve the required production schedule;

"(4) The loan shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Administrator estimates will be the necessary current cost of manufacturing such houses, exclusive of profit. The loan shall be secured by an assignment of the aforesaid purchase contracts for the houses to be manufactured with the proceeds of the loan, and of all sums payable under such purchase contracts, with the right in the assignee to proceed against such security in case of default as provided in the assignment, which assignment shall be in such form and contain such terms and conditions, as may be prescribed by the Administrator; and the Administrator may require such other agreements and undertakings to further secure the loan as he may determine, including the right, in case of default or at any time necessary to protect the lender, to compel delivery to the lender of any houses manufactured with the proceeds of the loan and then owned and in the possession of the borrower. The loan shall have a maturity not in excess of one year from the date of the note, except that any such loan may be refinanced and extended in accordance with such terms and conditions as the Administrator may prescribe for an additional term not to exceed one year, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum on the amount of the principal obligation outstanding at any time.

"(c) The Administrator may consent to the release of a part or parts of the property assigned or delivered as security for the loan, upon such terms and conditions as he may prescribe and the security documents may provide for such release.

"(d) The failure of the borrower to make any payment due under or provided to be paid by the terms of a loan under this section, or the failure to perform any other covenant or obligation contained in any assignment, agreement, or undertaking executed by the borrower in connection with such loan, shall be considered as a default

under this section, and if such default continues for a period of thirty days, the lender shall be entitled to receive the benefits of the insurance hereinafter provided upon assignment, transfer, and delivery to the Administrator within a period and in accordance with the rules and regulations prescribed by the Administrator of (1) all rights and interest arising with respect to the loan so in default; (2) all claims of the lender against the borrower or others arising out of the loan transaction; (3) any cash or property held by the lender, or to which it is entitled, as deposits made for the account of the borrower and which have not been applied in reduction of the principal of the loan; and (4) all records, documents, books, papers, and accounts relating to the loan transaction. Upon such assignment, transfer, and delivery, the Administrator shall, subject to the cash adjustment provided for in section 604 (c), issue to the lender debentures having a face value equal to the unpaid principal balance of the loan.

"(e) Debentures issued under this section shall be issued in accordance with the provisions of section 604 (d) except that such debentures shall be dated as of the date of default as determined in subsection (d) of this section and shall bear interest from such date.

"(f) The provisions of section 207 (k) and 603 (a) of this Act shall be applicable to loans insured under this section, except that as applied to such loans (1) all references in section 207 (k) to the "Housing Fund" shall be construed to refer to the "War Housing Insurance Fund" and (2) the reference in section 207 (k) to "subsection (g)" shall be construed to refer to "subsection (d)" of this section; (3) the references in section 207 (k) to insured mortgages shall be construed to refer to the assignment or other security for loans insured under this section; and (4) the references in section 603 (a) to a mortgage or mortgages shall be construed to include a loan or loans under this section.

"(g) Notwithstanding any other provision of law, the Administrator shall have the power to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection.

"(h) The Administrator shall fix a premium charge for the insurance granted under this section, but such premium charge shall not exceed an amount equivalent to 1 per centum of the original principal of such loan, and such premium charge shall be payable in advance by the financial institution and shall be paid at such time and in such manner as may be prescribed by the Administrator. In addition to the premium charge herein provided for, the Administrator is authorized to charge and collect such amounts as he may deem reasonable for examining and processing applications for the insurance of loans under this section, including such additional inspections as the Administrator may deem necessary."

"Sec. 4. (a) In order to assure preference or priority to veterans of World War II or their families—

"(1) no housing accommodations consisting of a dwelling designed for a single-family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale, prior to the expiration of thirty days after construction is completed, for occupancy by persons other than such veterans or their families; and

"(2) no housing accommodations, designed for occupancy by other than transients, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be rented or offered for rent, prior to the expiration of thirty days after construction is completed, for occupancy by persons other than such veterans or their families; and

"(3) no housing accommodations consisting of a dwelling designed for a single-family residence, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be sold or offered for sale to any person at a price less than the price for which it is offered to veterans or their families; and

"(4) no housing accommodations, designed for occupancy by other than transients, the construction of which is completed after the date of enactment of this title and prior to March 31, 1948, shall be rented or offered for rent, at a price less than the price for which it is offered for rent to veterans and their families; and

"(5) the Housing Expediter shall prescribe by regulations: (i) the manner in which such housing accommodations shall be publicly offered in good faith for sale or rental to veterans of World War II or their families in accordance with the provisions of this section, and (ii) exceptions to this section for hardship cases, including appropriate exceptions from the operation of paragraphs (3) and (4): *Provided*, That nothing contained in this Act shall affect or remove any veteran's preference requirements heretofore established under Public Law 388, Seventy-ninth Congress, and outstanding with respect to housing accommodations completed prior to the date of the enactment of this title.

"(b) This section shall cease to be in effect whenever the President proclaims that the protection to such veterans and their families provided by this section is no longer needed.

"(c) For purposes of this section (1) the Housing Expediter shall prescribe by regulations the time as of which construction of housing accommodations shall be deemed to be completed, and (2) the term 'person' shall have the meaning assigned to such term in section 1 (b) (3) of this Act.

"(d) Any person who willfully violates any provision of this section shall, upon conviction thereof, be subject to a fine of not more than \$5,000 or to imprisonment for not more than one year, or to both such fine and imprisonment.

"TITLE II—MAXIMUM RENTS

"DECLARATION OF POLICY

"Sec. 201. (a) The Congress hereby reaffirms the declaration in the Price Control Extension Act of 1946 that unnecessary or unduly prolonged controls over rents would be inconsistent with the return to a peacetime economy and would tend to prevent the attainment of the goals therein declared.

"(b) The Congress therefore declares that it is its purpose to terminate at the earliest practicable date all Federal restrictions on rents on housing accommodations. At the same time the Congress recognizes that an emergency exists and that, for the prevention of inflation and for the achievement of a reasonable stability in the general level of rents during the transition period, as well as the attainment of other salutary objectives of the above-named Act, it is necessary for a limited time to impose certain restrictions upon rents charged for rental housing accommodations in defense-rental areas. Such restrictions should be administered with a view to prompt adjustments where owners of rental housing accommodations are suffering hardships because of the inadequacies of the maximum rents applicable to their housing accommodations, and under procedures designed to minimize delay in the granting of necessary adjustments, which, so

far as practicable, shall be made by local boards with a minimum of control by any central agency.

"(c) To the end that these policies may be effectively carried out with the least possible impact on the economy pending complete decontrol, the provisions of this title are enacted.

"DEFINITIONS

"Sec. 202. As used in this title—

"(a) The term 'person' includes an individual, corporation, partnership, association, or any other organized group of persons, or a legal successor or representative of any of the foregoing.

"(b) The term 'housing accommodations' means any building, structure, or part thereof, or land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes (including houses, apartments, rooming- or boarding-house accommodations, and other properties used for living or dwelling purposes) together with all privileges, services, furnishings, furniture, and facilities connected with the use or occupancy of such property.

"(c) The term 'controlled housing accommodations' means housing accommodations in any defense-rental area, except that it does not include—

"(1) those housing accommodations, in any establishment which is commonly known as a hotel in the community in which it is located, which are occupied by persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service; or

"(2) any motor court, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect, or (B) which at no time during the period February 1, 1945, to January 31, 1947, both dates inclusive, were rented (other than to members of the immediate family of the occupant) as housing accommodations.

"(d) The term 'defense-rental area' means any part of any area designated under the provisions of the Emergency Price Control Act of 1942, as amended, prior to March 1, 1947, as an area where defense activities have resulted or threaten to result in an increase in the rents for housing accommodations inconsistent with the purposes of such Act, in which maximum rents were being regulated under such Act on March 1, 1947.

"(e) The term 'rent' means the consideration demanded or received in connection with the use or occupancy or the transfer of a lease of any housing accommodations.

"TERMINATION OF RENT CONTROL UNDER EMERGENCY PRICE CONTROL ACT OF 1942

"Sec. 203. (a) After the effective date of this title, no maximum rents shall be established or maintained under the authority of the Emergency Price Control Act of 1942, as amended, with respect to any housing accommodations.

"(b) On the termination of rent control under this title all records and other data used or held in connection with the establishment and maintenance of maximum rents by the Housing Expediter, and all predecessor agencies, shall, on request, be delivered without reimbursement to the proper officials of any State or local subdivision of government that may be charged with the duty of administering a rent control program in any

State or local subdivision of government to which such records and data may be applicable: *Provided, however*, That any such records or data shall be so made available subject to recall for use in carrying out the purposes of this title.

"RENT CONTROL UNDER THIS TITLE

"SEC. 204. (a) The Housing Expediter shall administer the powers, functions, and duties under this title; and for the purpose of exercising such powers, functions, and duties, and the powers, functions, and duties granted to or imposed upon the Housing Expediter by title I of this Act, the Office of Housing Expediter is hereby extended until February 29, 1948.

"(b) During the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however*, That the Housing Expediter shall, by regulation or order, make such adjustments in such maximum rents as may be necessary to correct inequities or further to carry out the purposes and provisions of this title: *And provided further*, That in any case in which a landlord and tenant, on or before December 31, 1947, voluntarily enter into a valid written lease in good faith with respect to any housing accommodations for which a maximum rent is in effect under this section and such lease takes effect after the effective date of this title and expires on or after December 31, 1948, and if a true and duly executed copy of such lease is filed, within fifteen days after the date of execution of such lease, with the Housing Expediter, the maximum rent for such housing accommodations shall be, as of the date such lease takes effect, that which is mutually agreed between the landlord and tenant in such lease if it does not represent an increase of more than 15 per centum over the maximum rent which would otherwise apply under this section. In any case in which a maximum rent for any housing accommodations is established pursuant to the provisions of the last proviso above, such maximum rent shall not thereafter be subject to modification by any regulation or order issued under the provisions of this title. No housing accommodations for which a maximum rent is established pursuant to the provisions of the last proviso above shall be subject, after December 31, 1947, to any maximum rent established or maintained under the provisions of this title.

"(c) The Housing Expediter is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area, if in his judgment the need for continuing maximum rents in such area no longer exists due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met.

"(d) The Housing Expediter is authorized to issue such regulations and orders, consistent with the provisions of this title, as he may deem necessary to carry out the provisions of this section and section 202 (c).

"(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are representative citizens of the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area. The

local boards may make such recommendations to the Housing Expediter as they deem advisable with respect to the following matters:

"(A) Decontrol of the defense-rental area or any portion thereof;

"(B) The adequacy of the general rent level in the area; and

"(C) Operations generally of the local rent office, with particular reference to hardship cases.

"(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(3) Within thirty days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in thirty days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"(4) Immediately upon the enactment of this Act the Housing Expediter shall communicate with the governors of the several States advising them of the provisions of this subsection and of the number and location of defense-rental areas in their respective States, and requesting their cooperation in carrying out such provisions.

"(f) The provisions of this title shall cease to be in effect on February 29, 1948.

"RECOVERY OF DAMAGES BY TENANTS

"SEC. 205. Any person who demands, accepts, or receives any payment of rent in excess of the maximum rent prescribed under section 204 shall be liable to the person from whom he demands, accepts, or receives such payment, for reasonable attorney's fees and costs as determined by the court, plus liquidated damages in the amount of (1) \$50, or (2) three times the amount by which the payment or payments demanded, accepted, or received exceed the maximum rent which could lawfully be demanded, accepted, or received, whichever in either case may be the greater amount: *Provided*, That the amount of such liquidated damages shall be the amount of the overcharge or overcharges if the defendant proves that the violation was neither willful nor the result of failure to take practicable precautions against the occurrence of the violation. Suit to recover such amount may be brought in any Federal, State, or Territorial court of competent jurisdiction within one year after the date of such violation. For the purpose of determining the amount of liquidated damages to be awarded to the plaintiff in an action brought under this section, all violations alleged in such action which were committed by the defendant with respect to the plaintiff prior to the bringing of action shall be deemed to constitute one violation, and the amount demanded, accepted, or received in connection with such one violation shall be deemed to be the aggregate amount demanded, accepted, or received in connection with all violations. A judgment in an action under this section shall be a bar to a recovery under this section in any other action against the same defendant on account of any violation with respect to the same plaintiff prior to the institution of the action in which such judgment was rendered.

"PROHIBITION AND ENFORCEMENT

"SEC. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in

excess of the maximum rent prescribed under section 204.

"(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of subsection (a) of this section, he may make application to any Federal, State or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such subsection, and upon a showing by the Housing Expediter that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"MAINTENANCE OF ACTIONS FOR CERTAIN ALLEGED PAST VIOLATIONS

"SEC. 207. No action or proceeding, involving any alleged violation of Maximum Price Regulation Numbered 183, issued under the Emergency Price Control Act of 1942, as amended, shall be maintained in any court, or judgment thereon executed or otherwise proceeded on, if a court of competent jurisdiction has found, or by opinion has declared, that the person alleged to have committed such violation acted in good faith and that application to such person of the 'actual delivery' provisions of such regulation would result or has resulted in extreme hardship.

"PROPERTY, PERSONNEL, AND APPROPRIATIONS

"SEC. 208. (a) The records, property, personnel, and funds, relating primarily to rent control, transferred to the Housing Expediter by or pursuant to Executive Order Numbered 9841, dated April 23, 1947, may be used for the purpose of carrying out the powers, functions, and duties of the Housing Expediter under this title; except that any personnel so transferred who are found to be in excess of the needs of the Housing Expediter for the exercise of such powers, functions, and duties shall be separated from the service.

"(b) There are authorized to be appropriated to the Housing Expediter such sums as may be necessary to carry out the provisions of this Act.

"EVICTION OF TENANTS

"SEC. 209. (a) No action or proceeding to recover possession of any controlled housing accommodations with respect to which a maximum rent is in effect under this title shall be maintainable by any landlord against any tenant in any court, notwithstanding the fact that the tenant has no lease or that his lease has expired, so long as the tenant continues to pay the rent to which the landlord is entitled unless—

"(1) under the law of the State in which the action or proceeding is brought the tenant is (A) violating the obligation of his tenancy (other than an obligation to pay rent higher than rent permitted under this Act or an obligation to surrender possession of such housing accommodations) or (B) is committing a nuisance in such housing accommodations or using such housing accommodations for an immoral or illegal purpose or for other than living or dwelling purposes;

"(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations;

"(3) the landlord has in good faith contracted in writing to sell the housing accommodations to a purchaser for the immediate and personal use and occupancy as housing accommodations by such purchaser;

"(4) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of substantially altering, remodeling, or demolishing them and replacing them with new construction, and the altering or remodeling is reasonably necessary to protect and conserve the housing accommodations and cannot

practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any construction planned; or

"(5) the housing accommodations are non-housekeeping, furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family.

"(b) Notwithstanding any other provision of this act, the United States or any State or local public agency may maintain an action or proceeding to recover possession of any housing accommodations operated by it where such action or proceeding is authorized by the statute or regulations under which such accommodations are administered: *Provided*, That nothing in this subsection shall be deemed to authorize the maintenance of any such action or proceeding upon the ground that the income of the occupants of the housing accommodations exceeds the allowable maximum unless such income, less any amounts paid to such occupants by the Veterans' Administration on account of service-connected disability or disabilities, exceeds the allowable maximum.

"ADMINISTRATIVE PROCEDURE ACT INAPPLICABLE

"Sec. 210. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after 'Selective Training and Service Act of 1940,' the following: 'Housing and Rent Act of 1947;'

"APPLICATION

"Sec. 211. The provisions of this title shall be applicable to the several States and to the Territories and possessions of the United States but shall not be applicable to the District of Columbia.

"EFFECTIVE DATE OF TITLE

"Sec. 212. This title shall become effective on the first day of the first calendar month following the month in which this Act is enacted.

"SHORT TITLE

"Sec. 213. This Act may be cited as the 'Housing and Rent Act of 1947.'

"TITLE III—SEPARABILITY OF PROVISIONS

"Sec. 301. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this Act and the applicability of such provision to other persons or circumstances, shall not be affected thereby."

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
HENRY O. TALLE,
PAUL BROWN,
MIKE MONRONEY,

Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, it will be noted from a study of the statement of the managers on the part of the House with respect to the housing-rent bill, H. R. 3203, that there are no major differences between the conference report now and the bill as it passed the House.

It will be recalled that in title I we decontrolled the allocation of all materials excepting those which might be used to construct recreational and amusement facilities. The Senate exempted all commercial facilities, so that under the Senate bill the Expediter could have controlled the allocation of materials for facilities incident to all commercial as well as recreational and amusement facilities. That was stricken out in the

conference. So the language in that respect is substantially the same as it was when the bill passed the House.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BREHM. Would that cover construction on farms—the construction of buildings, barns, and so forth on farms?

Mr. WOLCOTT. Yes, sir. You will note on page 9, amendment No. 5, so that there is an additional guaranty or assurance in certain respects, the amendment excepts from the buildings or facilities for which permits would be required, that is, recreational or amusement facilities, the buildings or facilities for use in connection with State or county fairs or agricultural, livestock, or industrial expositions or exhibitions, the net proceeds from which are used exclusively for improvement, maintenance, and operation of such expositions or exhibitions.

The reason for that was that we thought perhaps the interpretation placed upon the broad term "amusement" or the broad term "recreation" might include these facilities, so we expressly exempted them.

Answering the gentleman's question directly, unless the building on the farm is for recreation or amusement facilities it is exempted and they will no longer have to have priorities for those materials.

Mr. BREHM. Mr. Speaker, will the gentleman yield further?

Mr. WOLCOTT. I yield.

Mr. BREHM. I talked with the Senator's office a few days ago—Senator KNOWLAND, of California, who introduced the amendment dealing with this subject. I was told that that was his interpretation, that it did not apply to farm construction.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. AUGUST H. ANDRESEN. As I understand it, then, as of June 30 all of these restrictions are terminated on building with the exception of recreational and amusement buildings.

Mr. WOLCOTT. The gentleman is correct, except that the controls over the allocation of materials, except as I have stated here, will cease with the enactment of the law, not June 30.

In title 2, having to do with rent control, we provide that title 2 shall be effective on the first of the month succeeding the enactment of the act.

The provisions in this bill in respect to rent controls take effect on July 1, 1947, but the provision of decontrol of the allocation of materials takes effect on the enactment of the act.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield for a question?

Mr. WOLCOTT. I yield.

Mr. JENKINS of Ohio. That means all materials that go into the construction of a home, barn, or a building except for these amusement places.

Mr. WOLCOTT. All materials which go into any kind of construction except in respect of amusement or recreational facilities.

To me that is the most important part of this legislation. It decontrols our

economy, it gives the building industry of our country a free hand to plan to build, to go out and lick the housing shortage, and make it unnecessary finally to control rents.

In respect to the rent-control provisions, the language of the conference report follows substantially the language of the House bill in its major particulars. If this bill becomes law, after July 1, there will be no rent controls on new construction, there will be no rent controls on properties converted for rental purposes, there will be no rent control on properties which were not rented except to members of the immediate family between February 1, 1945, and January 31, 1947.

Rent controls are continued substantially as they were provided for in the House bill under the terms of this act.

OPA provisions will no longer apply after this bill becomes law.

We do, however, freeze all rents established under OPA as of June 30, 1947, and then provide that the Expediter may adjust these rents to correct hardship cases and for other reasons from that base, and that thereafter rents will be controlled on existing properties under the provisions of this act.

A change which in my opinion is not considered materially, but which stands out quite prominently, is in respect to the Administrator of the law and we yielded to the Senate in this respect: Under the House bill we provided that the President might designate the head of any permanent agency of the Government to administer both title 1 and title 2 of this act.

The Senate had provided for continuance of the Expediter's office as the agency through which rents would be controlled and permits would be granted to construct recreational and amusement facilities. We yielded to the Senate in that respect. The Senate appeared to have a great deal of confidence in the integrity and ability of Mr. Frank Creedon, the Expediter, which I personally think is justified. His office is continued for the purpose and the only purpose of administering this act.

The Appropriations Committee has refused to grant the Expediter's office any funds until this bill has been passed. The Appropriations Committee will, of course, as is usual in these cases, go over the program of the Expediter to determine what his needs are and then it will be governed accordingly.

The other change which appears to be material but probably not too important is the change in date. The House provided that rent control would expire on December 31, 1947, unless previous to December 15, 1947, the President found it necessary to continue it, in which event it might continue under the House bill to March 31, 1948. The Senate provided that rent control should expire on February 29, 1948. The importance of the date is only in respect to the fact that it be extended some time beyond the time when the new session of Congress will convene in January so that we will have an opportunity to review the situation at that time. So the February 29 date and the March 31 date is not too material.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Speaker, I yield myself eight additional minutes.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I understand there is a provision providing for an increase of rent in the amount of 15 percent by agreement between the landlord and tenant. Does that still remain in the bill?

Mr. WOLCOTT. Yes. The language of the Senate bill and the language of the House bill are quite similar. The provision remains in the bill and in the conference report that where the landlord and the tenant voluntarily enter into a valid lease which must run beyond December 31, 1948, then by agreement the rent may be increased not to exceed 15 percent. There is nothing in the law to compel a tenant to sign a lease, and it should be definitely understood that it is up to the tenant himself as to whether he enters into this lease. It is a purely voluntary matter on his part as to whether he enters into this lease or not. If the tenant does not enter into the lease then the accommodation which he has rented remains under rent control until February 29, next year.

Mr. AUGUST H. ANDRESEN. Suppose a landlord wants to evict a tenant; under the present regulations it takes 6 months to terminate occupancy. Is any change made in that so that the laws in respect to the States may be followed?

Mr. WOLCOTT. The ouster or eviction provisions are substantially the same as they were in the House bill. We provide for evictions only in certain cases where the owner of the property wants to occupy it himself or where he is going to demolish it, and so forth. The provisions are quite long. I will refer the gentleman to section 209 which is found on page 19 of the conference report. For the convenience of the Members you will notice we have printed the bill in full. There are the conditions under which the landlord can get possession, but, as a general rule, I may say that a tenant cannot be evicted so long as rent control is in force and so long as he pays the legal rent.

Mr. JENKINS of Ohio. And just as soon as the 29th of February arrives, it all goes off?

Mr. WOLCOTT. Then the State law applies.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Ohio.

Mr. ELSTON. The gentleman stated there would be no controls on property constructed after February 1947. Does that mean as to that newly constructed property there are no rent controls for either veterans or others?

Mr. WOLCOTT. That is right.

Mr. ELSTON. So that if the veteran wants to rent newly constructed property he is obliged to pay the same rental that the landlord might charge any others?

Mr. WOLCOTT. That is right.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. DONDERO. Is there anything in the conference report which would require the tenant to agree with the landlord prior to February 28, 1948, to enter into such a voluntary lease?

Mr. WOLCOTT. Yes. He must enter into this lease before December 31, 1947.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. EDWIN ARTHUR HALL. In cases where the States have rental laws, how does it operate?

Mr. WOLCOTT. It does not apply. There was a provision in the Senate bill which seemed to give the States authority to take over rent control, and it was stricken out. The closest thing to that in the bill now is that there is a provision for the setting up of local boards by the Expediter upon recommendation of the governors of the States. These local boards can make certain recommendations to the Expediter in respect to increase of rents or the decontrol of areas or housing facilities. The Expediter does not have to follow the recommendations, but he must give his reasons for not doing so.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. I would like some information regarding item (3), paragraph (C), section 202, on page 3 of this report, which reads:

(3) Any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947—

And so forth.

Suppose an owner of a large house has converted it into apartments after February 1, 1947?

Mr. WOLCOTT. Those would not be under control.

Mr. COLE of Missouri. Would a house that had been remodeled and modernized by extensive improvements after February 1, 1947 be under control?

Mr. WOLCOTT. The criterion is whether they were new accommodations as the result of the remodeling or conversion, and the new facilities are decontrolled.

Mr. COLE of Missouri. What I have in mind is this: Would a house upon which \$2,000 or \$3,000 or more had been expended for remodeling after February 1, this year, to rent to one or more families be decontrolled?

Mr. WOLCOTT. Not if the property had been under control before that and there were no new units provided by the remodeling. The property would still be under control.

Mr. COLE of Missouri. How about the money expended?

Mr. WOLCOTT. The OPA had some rule that they told us they applied—I do not know whether they ever did or not—where there were substantial improvements on the property; that they would authorize an increase in the rent, and I would assume under those circumstances that might be considered by the Expe-

diter a hardship case, and he must give relief to that situation if good faith was used.

Mr. TALLE. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. TALLE. I should like to have my chairman emphasize once more one point which he dealt with at the beginning of his explanation of the pending conference report. The point I would like to have reemphasized has to do with allocations of building materials—controls that have as a matter of fact retarded the progress of building. Some Members believe that if no legislation is enacted at this time both rent control and allocations of materials will stop on the 30th of June; but is it not true that without such legislation allocations of building materials will continue throughout this year; that is, through December 31, 1947, and that, therefore, the construction industry will not be free to operate without controls unless this conference report is enacted into law?

Mr. WOLCOTT. I am glad the gentleman emphasized that. Let me repeat in substance what he said. Unless this bill becomes law, then the authority to allocate building materials continues until December 31, 1947, but rent control expires on June 30 of this year.

Mr. TALLE. It is therefore very important in order that the building industry may proceed to build houses to relieve the shortage that this conference report be adopted. Is that not correct?

Mr. WOLCOTT. The gentleman is absolutely correct.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. JOHNSON of Texas. I have in mind a tenant who rents a private apartment, in what is generally known as a hotel. This tenant furnishes his own furniture, his own telephone, he has his own cook and his own maid. Is it the intent of the gentleman and his committee to decontrol such an apartment?

Mr. WOLCOTT. Yes; if the property is run as a hotel and if the person is furnished the customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures. I might say to the gentleman that the Expediter is given the authority to make regulations in respect to that particular provision, and probably can be expected to interpret it in accordance with these provisions to give relief to the person who does not receive all of those services.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I voted against this bill when it passed the House. I thought it was a bad bill. When it passed the other body I thought it was a worse bill. The conferees adopted some of the most objectionable amendments incorporated in the bill passed by the other body. I do not like to oppose the action of the committee,

for whom I have a very high regard, but I feel that my duty impels me to give you the reasons which have caused my opposition.

This bill is not a rent-control bill, it is a decontrol bill, it seems to me, under conditions favorable to the landlord and unfavorable to the tenant. The bill provides that the tenant and the landlord may enter into a lease after the effective date of this act which may expire at any time after December 31, 1948, for an increase in rent not to exceed 15 percent. We know the housing conditions that prevail in this country today and we know that the demand cannot be supplied as the demand for consumer goods may be supplied in a few weeks or a few months. We know this condition is going to exist for a long time. When the landlord comes to the tenant and says, "I want to increase your rent 15 percent," the tenant knows what powers the landlord can exert and what he can do to that tenant after the expiration of rent control, so I assume tenants throughout the country are going to agree to this 15 percent increase. Certainly every tenant who considers his best interests and who is not entirely oblivious to what might happen to him otherwise will sign the lease. I think this bill has enunciated a national policy that rents should be increased 15 percent. After the rent is increased 15 percent under the lease provided for herein, that property is never under control again. It is decontrolled permanently. I think this provision will result in decontrolling almost all of the housing accommodations in the United States.

The bill does give to veterans certain preferences and priorities to get into the property as tenants, but it gives the landlords the power in many, many cases to evict the tenants for various and unsubstantial causes. What are the causes for eviction under this law? The causes for eviction are all of the causes now prescribed in State laws where the action may be brought. In addition to these causes for eviction, it is provided by this act that if the tenant uses the property for immoral or illegal purposes, or, if he commits a nuisance, these shall be causes for eviction and they are perfectly legitimate causes; but in addition he may be evicted if he uses the property for any other purpose than living or dwelling purposes for his family. Now, what does that last provision mean? I apprehend that many veterans will want to conduct some little business in their homes, such as tailoring or watchmaking or shoe repairing or many other businesses that can be conducted in the home. I think under a fair interpretation of this law, that would be using the housing for other than living or dwelling purposes.

In addition to that, if the landlord in good faith wants to obtain the property for his own use or if he in good faith wants to sell it and has a contract for sale, or if in good faith he desires to remodel the property, although he does not have to have a contract to remodel the property, he can obtain possession of the property, and all of these are causes of eviction. Now, good faith is an intangible thing. How are you going to

search the conscience of a landlord to ascertain whether or not he in good faith wants it for his own purposes? He may in good faith evict the tenant and after he gets possession of the property he may see some objection to using it for his own purposes. There is no penalty against him for that, but he does get the tenant out. He may have a contract in good faith to sell the property and upon examination of the title some defect may be found in the title, and the sale may never be consummated, but he does get the tenant out anyway. He may in good faith want to remodel the property, but after he gets possession he may find that remodeling costs so much or he is unable to obtain the materials that are necessary; but the tenant is out, and there is no penalty against the landlord.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield on that point?

Mr. SPENCE. I yield.

Mr. AUGUST H. ANDRESEN. Assuming there is good faith in attempting to secure possession of the property, is it the gentleman's understanding that the 6 months' procedure must be followed, or does the State law govern?

Mr. SPENCE. I think the eviction will be pursuant to the State law and the causes for eviction mentioned in this act are in addition to those prescribed by the State. It says he may be evicted for any of the causes prescribed in the State law and the causes stated in this act are additional causes of eviction.

Under this 15-percent increase, you shackle the tenant and you give the landlord a club. Duress invalidates a contract. When the minds of men do not meet without undue influence being exerted on either side, when men cannot come to a conclusion freely, it is a defense to the carrying out of the contract in favor of the person upon whom the undue influence was exerted. But this act makes duress legal because there will always be duress when the landlord deals with the tenant under present conditions.

I am not here to say that all tenants are right and all landlords are wrong. I think that justice ought to be done on both sides. I think probably many landlords are not getting as much as they deserve for their property, but this act is somewhat similar to the action of a court having cases involving many different questions and consolidating them and writing one opinion. It does not seem to me it is reasonable or right or proper in any respect. It does not seem to me it is in accordance with sound public policy.

The argument advanced in favor of this act is that we are now right up at the dead line; that we must act now; that on June 30 all controls go off. Well, that is a poor argument. The Congress is still in session, and if that is an argument for this bill it would be an argument for any other bill, however bad it might be. We are still functioning, and if this is not a good act, the Congress should treat it without any regard as to whether or not we are at the dead line. We all know this is a very important question. I think housing is one of the most vital problems presented to the American people at this time for settlement. I think

it not only is an important question because of the necessity for shelter—civilized man needs a home as much as he needs food and air—but I do think that we should approach this measure in an endeavor to do justice to both sides. It is regrettable that an act has not been passed that will provide some reasonable method for the solution of the housing problem. I think in this bill there will be many repercussions that you will regret. The bill is so involved, so technical, that it is difficult to see the forest for the trees.

The SPEAKER. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. GAMBLE. Mr. Speaker, I yield such time as he may require to the gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Speaker, Mr. Kingfish Bodfish and the powerful real-estate lobby continue to ride high and mighty, and to the detriment of the millions of our citizens who will become the victims of this rent-decontrol legislation. When this Wolcott bill was originally before us on May 1 last, I was one of the 189 Members of this House who voted to recommit H. R. 3203 to the Committee on Banking and Currency. When this motion did not prevail and when it became apparent that the Republican-controlled House was disposed to give us either the bill in its then form or nothing at all insofar as rent control was concerned, I reluctantly voted for its passage in the hope that the Senate or the conferees between the two Houses would delete the black-jack clause which permits the landlords to say to the tenants: "Sign for a 15-percent increase or we will slug you," and the many other objectionable features of the bill. We now have before us a conference report which I as one who feels that rent controls must be continued for the present, cannot support. I am going to vote against this conference report as well as to recommit it to the conferees.

Mr. GAMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Speaker, unless this proposal contains genuine incentives to those who might supply rental units, rent control should not be extended.

Until honest treatment to investors is provided, the shortage of rental housing for veterans and others will not be solved. Lacking a square deal to landlords squeezed by rising costs and fixed rentals, the extension of rent control only prolongs and intensifies the stringency in rental housing.

When this problem came before the House, I urged the Members to obtain during the debate, if they could, some evidence that the stringency in rental housing was being overcome.

No such evidence was produced. Because the rent situation, as pictured by competent witnesses, was getting worse instead of better, many of us urged that the House agree to the 10-percent blanket increase recommended by the American Legion housing committee. We found, as the Legion committee did, that some gesture of fairness and hope to present owners of rental housing was

imperative. But the Legion recommendation was defeated.

Since that time I have still been trying to get an accurate picture of the rental housing outlook. I wanted to find if any real progress was being made in restoring a normal supply of rental units.

The factual evidence is very disturbing. It indicates that the rental housing stringency is getting worse instead of better. If that is the case, this House should not hold its nose and pass this bill with a gesture of resignation. We might better under those circumstances reject this proposal, and get to work with new legislation that will adequately recognize the economic realities.

I have secured the figures on rental units authorized for the first five months of 1946 and 1947 for my own State of Nebraska.

During the first 5 months last year in Nebraska the FHA reports permits issued for 1,090 private rental units. For the same 5 months this year the total was 226 units, or only one-fourth as many.

The FHA figures for the whole country are almost as bad. Last year from January 15 through May 31, 149,580 privately financed nonfarm rental units were authorized.

For a somewhat longer period this year, from December 24, 1946, to May 30, 1947, only 47,203 private rental units were authorized. This means that private rental construction in 1947 is running at about 30 percent of the rate achieved early last year, before the so-called Veterans Housing Act was in effect.

Consider this fact. When permits for new rental housing are only 30 percent of what they were when the Emergency Housing Act was passed, the House is passing a rent-extension bill that continues to discourage the ownership of rental property. Total housing units authorized for this period were less than 50 percent at the same period in 1946.

Add this near stoppage of private rental construction to the disappearance from the rental market of an estimated 2,000,000 units of rental housing by discouraged property owners since VJ-day, and you get to the real question.

What kind of a rental housing problem situation may Congress have on its hands next March?

Perhaps it does not require a crystal ball to suggest that we might have another housing crisis with both parties scrambling to evade the responsibility for ill-conceived action in June 1947.

Some Members have faith that the provisions of the present bill, plus hoped-for declines in construction costs, will furnish adequate incentive for a large-scale increase in rental housing.

I earnestly hope they are right and that my fears are unwarranted.

However, the substantial financial advantage now enjoyed by those occupying price-frozen rental housing will not be given up quietly. If the consequences of inflation take more effect between now and next March—a prospect that foreign hand-outs seem to almost guarantee—tenants will resist a free market on rents even more vigorously than heretofore. Why? Because their special advantage will be that much greater.

So, Mr. Speaker, if we temporize with this problem now, as the bill seems to do, we may have a much hotter potato in our hands next year—plus an explosive demand for communistic and socialistic housing projects.

My alarm on this problem is partly based on what happened in the housing field in Europe after World War I.

I hold in my hand a worthless bond, given me some years ago by a disillusioned investor. The bond is labeled: "Dwellings building loan of the city of Vienna."

It was issued in 1922 for the following stated purpose:

This loan is solely destined for building purposes in order to alleviate the scarcity of lodgings in the city of Vienna caused by the general conditions due to the war.

Austria had rent control because of the housing stringency. They then succumbed to public housing, and they wound up with national socialism. That did not help tenants.

And for the property owners, reports a study of the International Labor Office in 1930, the result was:

Through inflation and rent control, property owners and mortgagees have been expropriated without compensation.

American property owners, in many instances, have been getting a mild dose of expropriation now. I hope this bill provides enough incentive to encourage private capital to do the building that will end the stringency of rental housing for those who must rent living quarters. Without the measure of encouragement provided by a 10-percent-across-the-board increase, I do not believe it does so, and I urge its rejection.

Mr. GAMBLE. Mr. Speaker, I yield 5 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, this bill comes before us presenting one of the most unhappy choices I have ever seen offered to the Congress.

In the first place the bill, I believe, is thoroughly bad. I believe every Member of the House is going to be terribly disappointed when he starts hearing from the millions of people who rent houses across this country of ours. You have not heard from those people during these war years because their rents have been held stable.

You have heard from the landlords in large numbers, you have heard about their trials and their tribulations; but after this bill is passed and becomes law you are going to begin hearing from the hundreds of thousands of tenants who are going to be dissatisfied with this bill.

You might ask then why did I sign this conference report and why am I going to vote for the final passage of this bill?

Simply because I feel that even a bad bill, a bill that is almost unworkable, a bill that is going to raise a great many hundreds of thousands of rents throughout the country by 15 percent is better than no bill at all.

Even a 15-percent increase is a lot less difficult for the millions of people who have to rent than a hundred percent increase would be; and even to have weakened protection against eviction is

better than no protection at all against eviction.

The only Members in this House I know of who can dare risk the luxury of a protest vote against this bill are the Members from the State of New York, who have adequate protection under their own State rent control law.

If you expect to protect the people in your home district who must rent their housing for the next year, then I think you are compelled, whether you like this bill or not, to vote for the final passage of this act.

I presented no less than 8 or 10 amendments to the bill to try to make it more workable, to try and protect the tenants a little more than we were protecting them in this bill. Each one was voted down by the heavy Republican majority in this House.

The bill went to the Senate and most of the errors and the defects of the House bill were repeated in the Senate bill. So the conferees had nothing to work on except two bad bills. But at the same time bills which would be better than no bill at all.

I hate to disagree with my distinguished former chairman that the House should vote this conference report down and trust that the House will pass another rent control bill. I know and you know that the House and Senate will not pass another rent-control bill. Either we take this bill as we have it before us today, liking it or not, or we have no rent control whatsoever.

We might have done this with the OPA bill last year. Just about a year ago this time we listened to the same arguments that if we turned down the bill, the House would enact a good bill. You saw the inflation and the wreckage of OPA that resulted as we rounded that dangerous corner.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman seems to go on the theory that we had nothing when we started and we have nothing now. To quote the words of Job, and paraphrase a little: "Naked I came into this world, and naked I shall go thither. The Lord has given and the landlord has taken away."

Mr. MONRONEY. I may say to my distinguished friend that protection against more than an increase of 15 percent is some protection at least for the tenants of this country. It is a poor compromise but it is some compromise in a way.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. This bill is not satisfactory to me at all. It was not satisfactory when the House considered it. I thought we would get a better bill from the Senate. But it is this bill or nothing and I think we ought to support this bill because, as the gentleman says, it is either this or nothing, and I think this is a little better than nothing.

Mr. MONRONEY. I agree completely with the gentleman from Georgia. We

have worked as hard as we can, particularly the minority members on this committee, in this body and in the other body, and this is the best possible bill we can bring out and get through Congress.

Do not make any mistake, there will be a lot of votes against this bill by people who do not want any rent control at all. If the people who want real effective rent control join with the people who do not want any rent control at all, you will probably wind up by not having rent control. Then you will hear the cries of misery that will come in from the four corners of this country from people who will be trying to find housing in the present extreme shortage without any control or protection against eviction.

Mr. Speaker, this bill does give some protection. It is weak in many respects. I do not know why this bill should include a virtual repeal of the Veterans' Housing Act, but it takes away practically all of that act which was designed to help the veterans get houses. However, I think we have to vote to support this bill, bad though it is, as more people would be seriously injured by our failure to act—than by its passage.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BUCK].

Mr. BUCK. Mr. Speaker, I think it most unfortunate that a bill which contains provisions which will stimulate housing construction and thus help meet one of the most severe problems confronting the country also contains a provision which, in our great cities and their environs, will increase rentals 15 percent on existing housing and thus positively implement the upward spiral in the cost of living.

As a Representative from a city where 15 percent more for rent will be a body blow to the family budgets of tens of thousands of tenants, I must vote against this conference report.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, I am a member of the Committee on Banking and Currency that has had charge of the drafting of this so-called rent-control bill. While I have the greatest of affection and respect for the chairman and members of the committee, and while I also know the vast amount of time and effort that was put into this bill, I cannot support it. I must disagree with the statement just made by my colleague from Oklahoma when he says that this is a poor bill, but since it is the best we can get we must vote for it. I could never apologize for a bill and then vote for it. Legislation is either right or wrong, and if it is wrong then an effort must be made to defeat it. The rent-control issue is too important to permit of compromise.

I now say on the floor of this House, as I said when the bill was originally before us and as I said in the minority report drawn by the gentleman from Pennsylvania [Mr. BUCHANAN] and myself, that this is not a rent-control bill;

it is the beginning of the end of rent control.

Every Member of this House knows that we are confronted with the greatest housing shortage in the Nation's history. Millions of our citizens, including hundreds of thousands of newly married veterans, are living in circumstances that are a disgrace to a nation that regards itself as civilized. Homes and apartments are the least obtainable of any commodity in the Nation. Lift controls or loosen their tightness and the greedy real-estate interests will start a wave of rent increases that will engulf the whole Nation. This Congress has been doing everything that is legislatively possible to prevent inflation. Loosen your rental restrictions, my colleagues, and you will start a spiral of inflation that will be unstoppable. If you raise the rent, the workingman must have a salary increase to meet it. If he has an increase, then the manufacturer must raise his price to the consumer in order to meet increased costs of production. The consumer must have his salary raised to meet increased cost of living and so the vicious circle is begun with disastrous effects to our populace.

This measure is the pet of the National Real Estate Board and the national building and loan associations. These groups, who maintain one of the most powerful and effective lobbies here in the Nation's Capital, have not been satisfied with the enormous profits of the war years. They would now create a condition of pandemonium in the real-estate rental field that might rock the Nation, but which they would ignore as long as immense profits went into their pockets. Their highly paid and smooth lobbyists have been operating here in Washington since the beginning of this session, trying to wipe out rent controls. They have been the only groups anxious to create the inflation that all thinking people fear. Their chief spokesman, Morton Bodfish, registered last night at the Mayflower Hotel so that he could be present today at the kill. Mr. Bodfish is truly ubiquitous whenever an opportunity presents itself to put a little heavier burden on the working people of this country. It would be very interesting, Mr. Speaker, if the people of this country could learn just how much the real-estate interests have spent in their efforts to end rent control.

I repeat that I do not feel that this bill should be voted for because it is the best bill that can be brought out. I know that this has been a long and hard session and that many of the Members are anxious to go home. Gentlemen, permit this bill to pass and you will find your recess at home will not be a happy one. This measure affects the existence of 70 percent of our people and the economic stability of the entire Nation. We cannot allow a rise in rents and then hope to cut prices down.

Mr. Speaker, I beg of the membership of this House to vote to recommit this bill to the Committee on Banking and Currency. As a member of this committee, I feel sure that even if we have to stay a few extra weeks we can report out a bill which will guarantee stability

of rents to the people of our Nation plus economic stability, which we will lose if this bill is passed.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, in my studied opinion there is one way and one way only to get more houses built, more houses for home ownership, and more houses for rent in this country of ours, for veterans and for everyone else, and that is to take the Government entirely off the backs of the people. Just so long as private capital is afraid that tomorrow or next week or next month or next year Congress may again impose on them controls that will not justify the spending of their own money to build apartment houses and homes, we will have far too few homes and apartment buildings built for rent.

During the past 15 years this administration has spent over \$14,000,000,000 of the American people's money on dozens of schemes to build homes of every kind, way back from the days of Tugwell, after he dreamed up his home-building program, and what do we have? We are still in the middle of a housing shortage. We have not only spent over \$14,000,000,000 to build federally financed houses, but we have also spent many hundreds of millions of dollars for administrative expenses for a group of people most of whom knew nothing about the building business. So I say, stop this thing now and let us get all the way back to the American way of doing things.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I understood that this conference report decontrolled construction except for recreational and amusement places, and that there was no rent control on the new construction.

Mr. JENSEN. But private capital never knows when Congress will again be told that a great emergency exists and that we must put all the controls back on. That is what is scaring private capital away from building apartment buildings and homes for rent.

The Government Corporations Subcommittee of the Committee on Appropriations, of which I have the honor to be chairman, decided after hearings and full consideration that the Office of the Expediter should be liquidated as of June 30 this year. This bill gives it new life. I cannot speak for the other members of the Committee on Appropriations but certainly I am not going to change my mind, because I am sure the committee acted properly when we decided not to continue the Office of the Expediter, even though I hold Mr. Crendon in high regard. I stood on the floor of this House early last year when the President was asking for \$400,000,000 to expedite production of materials and homes and all it did was to create less production of materials and homes. It finally fell flat as I predicted it would. So I say again that if you want homes, if you want apartment houses, if you want cheaper rent in the near future, cut off

all Government controls and let America do the job the American way. This problem will be with us time without end, so long as we play around with this kind of legislation.

Mr. WOLCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, this bill has been aptly referred to as bad legislation. I heartily concur in that statement. When the bill was originally offered, I submitted a minority report that pointed out several of the discriminatory features in this bill. This bill is not a rent-control bill, but has been referred to as a save-the-landlords bill.

This is what would happen: Over the past several weeks, and even this morning, we had under discussion the bill H. R. 1. Had the veto been overridden, a person earning, let us say, \$2,500 a year in 1947 would have paid something like \$335 in taxes, and under that "trickle-down" tax bill would have saved some \$34 this year on his current 1947 income tax.

In this particular bill there is contained a clause, the hidden 15-percent clause, which is referred to as the "blackjack" clause, that would tip the scales and give the balance to the landlord in that he may offer a new lease and the tenant either accepts that lease or else. That 15-percent increase would mean to a person paying, let us say, \$40 a month, or an annual rental of \$480 a year, an annual increase of \$72 in rent. So wherein would there have been any savings?

This bill will not give us effective rent control. Certain legal restraints are shifted and eviction safeguards are weakened. I do not subscribe to the argument that we should accept this legislation, even though it is bad legislation. I contend that no legislation at all is better than ill-conceived legislation.

I believe it is the responsibility of this Congress to turn out good legislation, legislation that is aboveboard and with a reasonable sense of balance. I do not think that any hidden rent increase or "blackjack" provision should be inserted in this legislation.

The housing and rent-control bill, H. R. 3203, agreed to by the conference committee, puts one in a dilemma.

It is very similar to that posed by the first OPA bill last year. The OPA bill extended price control, but it had so many crippling amendments authorizing price increases that the President felt compelled to veto it.

There resulted a hiatus of uncontrolled prices while the Congress debated a second OPA bill. The Congressional Quarterly of June 17, 1947, makes the following comment:

The 1947 housing situation is similar. Authority for Government control of rents and building materials will expire June 30. The Wolcott bill ends most of the material controls and extends the others, as well as those on rents, only to February 29, 1948. Instead of to June 30, 1948 as requested by the President. The Wolcott bill also takes rent controls off all housing units completed after February 1, 1948, and permits rent increases on other units up to 15 percent if the tenant

agrees and if a lease is made extending until January 1, 1949.

This permissive 15 percent would be computed on the basis of rents existing when the bill becomes effective. Thus, if tenants were agreeable, it could mean increases from prewar rents of considerably more than 15 percent in many instances. OPA and the Housing Expediter have already granted a good many rent increases, and the voluntary 15-percent boosts would be on the basis of existing rents after these other increases.

The only building controls retained in the Wolcott bill are those on construction for amusement or recreation, so that industrial and other commercial construction could go ahead without Federal clearance. Opponents of this provision declare that there is now a backlog of something more than \$2,000,000,000 in deferred nonresidential construction which would burst upon the market if controls were removed. With this kind of competition for materials and labor, the opponents say, residential building would not stand a chance.

On the other side, however, real-estate men point out that there is a duplication of only 3 percent in materials which are used in both residential and nonresidential construction, so that there can be no real conflict. It is admitted that there is somewhat more duplication in use of labor, but even in this case, the realtors say, the amount of duplication has been exaggerated. Structural steelworkers, for example, are used in much greater numbers on industrial construction than on home building.

I am going to offer a motion to recommit this conference report. I opposed the original legislation, and I shall oppose this measure on the same basis.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, considering what has occurred in landlord-tenant relations, and in housing since the House first acted on H. R. 3203, the bill dealt with in this conference report, I feel I must oppose the report. As a tenant myself, I think it should be clear that I do not intend to sign a lease if this bill should become law, as I consider it unnecessary. So long as Federal rent control continues, I need no lease to guarantee continued occupancy of my apartment. Should such Federal rent control go off on February 29, 1948, as provided by the terms of this bill—which would not be justified as long as the critical housing shortage continues—I will have the New York State rent-control law to fall back on, and will still need no lease. The New York State law expires June 30, 1948, but I believe that we must, and therefore shall continue to have rent control in New York until the housing shortage is relieved sufficiently to allow freedom of negotiation between landlord and tenant. That is not the case now and will probably not be the case by the date provided in this bill, February 29, 1948.

I trust that it will be made clear to all the people, if this bill should become law, that they are under no compulsion to enter into a lease with their landlords and to accept an increase of 15 percent, or any other increase in rent in that way; and that they should not permit themselves to be talked into signing such a lease if they do not wish to do so. It is extremely important that this be made clear so that tenants should not be coerced

by unscrupulous landlords, and honest landlords should not be prejudiced by those who may seek to take unfair advantage of this bill.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Speaker, I had hoped that when this bill came back from the other body, I would be able to vote for it. I have a high regard for the members of the committee and I would have liked to support them in what has been a very difficult discussion. It is not a question of whether or not we should have had rent control. It was necessary. It was not necessary to have the poorly administered control we have had and still have. The evidences of this are too well known to require discussion. The only satisfactory solution would be to increase local control and local administration. The House tried to do that when the bill was before us. Unfortunately, the conference report shows that this provision was taken out. The provisions to protect the tenant and the owner are worthless, if we are to have the same kind of administration we have had before. It continues until March the extravagantly useless Office of Housing Expediter, who has expedited nothing, and without which there might be some practical expedition in the building of houses. Veterans cannot live in blueprints, they must have houses, and nonveterans too, for that matter. This report makes a political football, in 1948, out of the housing problem. I shall vote to return the report to the conference committee for further study.

Mr. WOLCOTT. Mr. Speaker, I yield myself 2 minutes to call attention to the fact that no legislation has ever been presented on the floor which has been entirely satisfactory to every Member of the House or Senate.

I think this bill is the best compromise that could have been effected between the two extremes—between those who advocate no rent control at all and those who advocate continuance of rent control as it is.

We started out with the original purpose of encouraging the production of rental properties in order that we might take rent controls off gradually. This bill does just that. The principal objective is to give such encouragement to private enterprise, but not under Government control, to produce rental properties fast enough and in quantities enough so that we can gradually take off these rent controls, and it is to be hoped that by the time February 29 comes around, because of the adjustments which will be made under this program, and the increase in production as the result of the program will enable us to lick the housing shortage. That is our objective.

The majority of the members of the committee felt that that was a good objective. The majority of the members of the Senate committee thought likewise. The majority of the Members of the House followed the advice of the committee and voted for this bill. The majority of the Members of the Senate did

likewise. The conferees met and ironed out little differences, and now we have before us a bill which will effectuate the primary objective of licking the housing shortage.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. BUCHANAN. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BUCHANAN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. BUCHANAN moves to recommit the bill H. R. 3203 to the committee of conference.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania to recommit the conference report.

Mr. BUCHANAN. Mr. Speaker, on that I ask for the yeas and nays.

The SPEAKER (after counting). Thirty-two members have risen. Not a sufficient number.

The yeas and nays were refused.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken; and on a division (demanded by Mr. BUCHANAN) there were—ayes 87, noes 114.

Mr. BUCHANAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After a pause.] Two hundred and thirty-four Members are present, a quorum.

So the motion to recommit was rejected.

The SPEAKER. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 163, noes 73.

Mr. SPENCE. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 53) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring). That the Clerk of the House of Representatives, in the enrollment of the bill (H. R. 3203) relative to maximum rents on housing accommodations; to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, is authorized and directed, in section 4 (a), to strike out "March 31, 1948", wherever such date occurs and insert in lieu thereof "March 1, 1948."

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members who spoke on the conference report just considered may have five legislative days in which to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

RULE WAIVING POINTS OF ORDER ON INDEPENDENT OFFICES APPROPRIATION BILL

Mr. HARNES of Indiana. Mr. Speaker, I call up House Resolution 248 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived; and it shall also be in order to consider without the intervention of any point of order any amendment to said bill prohibiting the use of the funds appropriated in such bill or any funds heretofore made available, including contract authorizations, for the purchase of any particular site or for the erection of any particular hospital.

Mr. HARNES of Indiana. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. SABATH], and at this time I yield myself 5 minutes.

Mr. Speaker, this resolution serves only one purpose in connection with the consideration of the appropriation bill for the independent offices; namely, to waive points of order against certain legislative provisions in the bill. Ordinarily, I would oppose the writing of legislation into appropriations bills, but in this instance it is the only way we can make the savings we are seeking to make here and handle the measure expeditiously. The over-all savings to the Government proposed in this appropriation bill approximate \$1,400,000,000. Something more than \$800,000,000 of this money we seek to save the taxpayers of this country might be lost on points of order if we do not adopt this rule.

The testimony before the Rules Committee established the fact that the two legislative committees directly concerned with the legislative provisions in the appropriation bill were the Committee on Merchant Marine and Fisheries and Committee on Post Office and Civil Service. The chairmen of both of those committees were consulted by the chairman of the Subcommittee on Appropriations in charge of this bill. We are assured that they have no objection to writing these legislative provisions into the bill. Each of these legislative provisions has to do only with the saving of the taxpayers' money.

Another provision in the rule makes in order amendments that may limit the expenditure of moneys already appropriated, moneys appropriated in this bill or contract authorizations for the acquisition of sites for veterans' hospitals and for the construction of such hospitals. This gives any Member of the House the opportunity to offer amendments in that connection without the intervention of a point of order.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HARNES of Indiana. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. That means any Member, if he objected to any site in any part of the country, could object to a hospital being built there?

Mr. HARNES of Indiana. No; not necessarily. It means they might limit the funds to be expended on a particular project.

Mrs. ROGERS of Massachusetts. I think that would pretty nearly prohibit the building of hospitals.

Mr. HARNES of Indiana. I think the gentlewoman will find that no Member of this House wants to stop the construction of any necessary facilities already authorized. He may properly seek to save money in their location and construction.

He may seek to stop the Government from wasting money, but it is not going to interfere in the slightest with the program of the Veterans' Administration in the construction of the necessary hospital facilities.

Mrs. ROGERS of Massachusetts. I understood General Hawley to say that it would be very difficult to operate his hospital program if the bill should be enacted.

Mr. HARNES of Indiana. I think he is rather extravagant in that statement.

The Members may find in the record, on pages 32 and 33, the particular legislative provisions involved in this rule. Because the House and the Committee later are going to be so pressed for time in connection with the consideration of this vitally important appropriation bill, we are hoping that we might pass this resolution without waste of the time. I request my distinguished friend on the Rules Committee to utilize as little time as possible so that we might get into the debate on the bill.

Mr. SABATH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, as has been stated, this rule waives points of order on an appropriation bill. For several years I have called attention to the fact that the Committee on Appropriations is assuming jurisdiction that properly belongs to the legislative committees, and notwithstanding the assurances that have been given to the Committee on Rules at various meetings for some time past, they still continue to request waivers of points of order on appropriation bills.

Now, the resolution before us waives points of order on many items in the independent offices appropriation bill that properly should have been considered by our legislative committees. If the Committee on Appropriations will continue in its course and usurp the power of the legislative committees,

within a few years we might abolish the legislative committees and turn the legislative jurisdiction of these committees over to the Committee on Appropriations. There are some Members here today that served in the House years ago when we took the appropriation power away from the jurisdiction of the legislative committees. We thought then that it was a good move and that legislation would be handled more expeditiously and judiciously and that the appropriations of the various departments would be more carefully considered and acted upon by one committee having sole jurisdiction on appropriations. Unfortunately, the great Committee on Appropriations, the membership of which has been so tremendously increased under the provisions of the Reorganization Act, is not satisfied with its authority to submit and report appropriation bills for the various departments, but in every appropriation bill it has reported thus far in the present session has actually assumed jurisdiction on legislative matters.

In this bill it is claimed that the points that are being waived are for the purpose of bringing about economy. I have heard that word before, and I doubt very much if that will be accomplished, because notwithstanding the cuts and the reductions that have been made by the committee, I feel the committee will come in here in a few months and ask for an increase in these reduced appropriations in a deficiency bill.

The bill is loaded with legislative riders. Riders that attempt to nullify the Classification Act; to dictate administration of surplus property and civil-service acts, Atomic Energy Commission Act, and others.

The agencies cut the worst are the "watchdogs" set up by Congress, saying nothing of the wiping out of the appropriation for the Office of Government Reports which has been one of the most efficient and most helpful to Congress.

The Federal Trade Commission, the "watchdog of the consumers" has had its budget estimate reduced by one-third—by \$1,122,880.

The budget of the Public Roads Administration has been reduced \$36,000,000. Its grade crossing elimination program to save lives has been wiped out but what are a few hundred human lives compared to \$5,000,000?

The National Advisory Committee for Aeronautics—"watchdog of the air" has had its budget estimates reduced by \$390,000. Instead of increasing the service and efficiency of this branch of the service, appropriations are limited at the expense of safety and the safeguarding of lives of millions of our air travelers.

And so on with many other important functioning agencies of our Government.

SAVINGS

Mr. Speaker, on page 45 of the committee report, I notice the astounding statement and claim that there has been a total savings of \$1,400,000,000 due to reductions in budget estimates, revised estimates, rescissions, reductions in expenditures, and increase in revenue.

The first savings claimed is three hundred and thirty million in reductions in

revised budget estimates. Well, well, well. So that is a saving, when every Member of this House should know that there has never been a single appropriation passed that carried the full amount of budget estimates—they have always carried less.

The next item covers expenditure reductions of seventy-three million for the Maritime Commission and forty-seven million for UNRRA. Yes; the war is over and we are not building additional ships and the forty-seven million allocation from UNRRA is not longer required—so is it but natural that these expenditures be reduced and not used if no longer necessary. Anyone with one ounce of business sense knows that yet the Republican gentleman on the left would try to fool the people into believing that this is a saving.

Under "Rescissions of appropriations" the majority would take credit for a "savings" of \$5,000,000 that is being returned to the Treasury because war housing is no longer being constructed. Yes; the war is over and it is but natural that this money be returned to Uncle Sam's pocket.

They also attempt to take credit for a saving of \$108,000,000 of United States Maritime Commission receipts and other funds that have been covered into the Treasury—a mere bookkeeping transfer from one department to another department. How can they sum up the courage to foist the impression upon the country that this is a saving?

Next on their "savings" chart appears an item of fifty million covering appropriations to the Veterans' Administration for construction of hospitals and domiciliary facilities. It so happens that the Veterans' Administration has taken over and remodeled a certain number of Army and naval hospitals which has not made necessary the construction of additional hospitals and, therefore, it will not be necessary to use this \$50,000,000. Yes; common business sense would dictate that this money remain in the Treasury and not be used for unnecessary construction.

Their next claim to alleged savings covers pensions and compensations for the Veterans' Administration being a reduction in original budget estimates. Time has not permitted me to check into this reduction of \$269,000,000, but I hope the veterans will not suffer by reason of it or that the Veterans' Administration will be forced to adopt a hard policy in rejecting meritorious claims in order to keep within the appropriations that will be authorized. This is one appropriation that I shall watch during the fiscal year and the Republican Congress will be held to account for any hardships that our deserving veterans may suffer if it is found that the appropriations are not sufficient.

Most of the cuts that has been made are in departments and bureaus of our Government that have been created by this Congress. They are the watchdogs of Congress, if I may express myself that way, over which Congress has jurisdiction. I believe they have performed their duty fairly well. It appears to me that some of the departments and agencies have been cut most unfairly. One

agency especially, the Securities and Exchange Commission, has had its appropriation cut \$750,000 below the budget estimate. I happen to know something about that because only a few weeks ago, after I learned that short sales had increased 295,000 shares, reaching a total of 1,341,000 by May 15, I requested certain information from that agency and was told that it was impossible for them to obtain it because they did not have sufficient personnel to perform the investigating and clerical work involved.

You may recollect that about 3 weeks ago I made a speech against short selling and it was then that I demanded that the Securities and Exchange Commission as well as the stock exchange furnish me with not only the number of short sales but also the names of the sellers who were responsible for the unfair, unjustifiable, and unwarranted activity in the New York Stock Exchange, the curb, and other exchanges that resulted in a break and drop in prices of stocks generally. Despite two or three requests I was unable, for the reasons stated, to obtain the names of the professionals that were manipulating the market to the disadvantage of the commerce of the Nation and the price value of securities. Not that I condone the bulls in the stock exchange any more than I do the bears, the bears being the short sellers. At least, the bulls do not destroy the values as the short sellers do. I am very pleased to say to you that since that time the value of stocks, I believe, has gone up from two to three billion dollars, and has been going up ever since, not to any great degree, but nevertheless prices have not fallen.

Many thousands of owners of these stocks have written me expressing their approval of my action in calling the attention of the country to the short-selling activities that were responsible for the unwarranted drop in the prices of the stocks which they acquired for investment in good faith. I feel that the honest and legitimate investors are entitled to and should have information on short sales from day to day, or at least weekly. The daily publication of short sales would serve as a deterrent to manipulative practices and be of real benefit to legitimate investors and the businessmen of the country in judging investments and the real trend of business. I repeat, I am going to insist that the Congress and the public have the names of the manipulators who are selling stocks they do not own and which they do not even possess.

Mr. McGARVEY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. McGARVEY. The information the gentleman is talking about that he has been trying to secure from different sources can be obtained from the Securities and Exchange Commission right now. They have it on hand right now.

I want to say that short-selling never broke the market. If you are informed about it you know that it has not been possible to sell stocks short over the last 5 years.

Mr. SABATH. I thank the gentleman for the information, but regret to say he

is in error. I have been unable to obtain the information which I have requested and shall continue to insist that it be furnished. In view of the fact that the gentleman was formerly in the brokerage business I am amazed that he should make such a statement. May I ask, Do they sell short to boost prices? Is it not a fact that short selling is done to force prices down to enable those selling short to buy the stock back later on at a lower price? In view that I have heretofore explained my position, I do not deem it necessary to rehash the explanation.

I have given thought and study to this matter for about 25 years. I know that since short selling stopped in the last 2½ weeks the prices of stocks have gone up in the aggregate from two to three billion dollars and from 1 point to 10 points on individual stocks. In this connection I insert excerpts from one of many newspaper reports which should convince any doubting Thomas as to the correctness of my statement. The excerpts are from an article appearing in the Washington Post, as follows:

STOCKS SCORED GOOD GAINS

NEW YORK.—The stock market, during the past week, enjoyed one of the best rallies of the year and, on balance, held a good net gain for the four sessions.

Shorts ran to cover Wednesday and gave the big board its widest upswing since February 7, but the day's aggregate reached only 890,000 shares. Advances of 1 to 3 or more points, however, were numerous.

Some day I will point out to you and convince you that short selling is the worst practice that can be indulged in on the stock exchanges of the country. I know that many countries are now devising methods to stop this gambling which, after all, is conducted by a very few men as against the interests of millions of American investors, the country at large, and elsewhere. I could go on further in bringing the unfair practices of short selling to light, but wishing to expedite the consideration of the independent offices appropriation bill now before us, I shall comply with the request of the gentleman from Indiana [Mr. HARNES], to limit my remarks, especially in view of the fact that my Republican colleagues pay no heed to my warnings or avail themselves of my advice.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mrs. ROGERS of Massachusetts. May I ask the gentleman for this information? Has any such rule been granted to the Committee on Appropriations, for instance, which was considering the appropriation for post offices? I will read it. It is as follows:

It shall be in order to offer any amendment to the bill to prohibit the use of funds appropriated in this bill or any funds heretofore made available, including contract authorization for the purchase of any particular site for the erection of any particular hospital.

Has anything of the kind ever been done so far as a rule being reported out regarding this sort of action being taken for the erection of post offices? I think this is a very far-reaching precedent, if

it be a precedent. The House should be fully informed.

Mr. SABATH. I fully appreciate that. I do not recollect that we have ever adopted any such provision, but it is up to the House to pass upon it. If any amendment is offered, you will be at liberty, and the Members will have the right, to vote for or against it. This especially broad provision in the rule was agreed to by the Committee on Rules, and I will explain to you why it was done.

We were informed in the hearing in the Committee on Rules that there are certain sites that are being considered and the prices are perhaps 8 or 10 times higher than for adjoining pieces of property. Because of that, we felt that these gentlemen who selected the sites, and I have had my experience during the war with some of them, should be restricted in their price agreements and that we ought to know what they are negotiating and whether or not they are paying more for the sites or agreeing to construction contracts at figures higher than they should, especially in such cases where the cost of sites and contracts appear outrageously high.

I think the House is entitled to restrict any such action for the protection of our Government and save the taxpayers as much money as possible.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield further?

Mr. SABATH. I yield.

Mrs. ROGERS of Massachusetts. I thank the gentleman, but it would seem to me that if the gentleman feels that way about it and if the Committee on Rules feels that way about it, it would be very advisable to have that same provision in every rule regarding any authorization for appropriations for any Government building.

Mr. SABATH. As I stated before, the Committee on Appropriations is going far afield. The Committee on Rules has been extremely liberal, more so than I as former chairman of the committee was willing to grant and I cannot muster enough votes to deny the granting of these special rules which take away the jurisdiction of legislative committees. I feel that if the Committee on Appropriations will continue to usurp the powers of legislative committees that some day the legislative committees will join in protest of the usurpation of their legislative powers.

I think we must stop the granting of these exceptions or the waiving of points of order on appropriation bills which contain so much legislation. That power belongs to our standing committees which have the jurisdiction of matters of that kind.

Mr. Speaker, I reserve the balance of my time, and I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. HARNES of Indiana. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was granted permission to extend his remarks in the Record in two instances and include therewith a resolution.

Mr. WIGGLESWORTH asked and was granted permission to revise and extend the remarks he expects to make in Committee of the Whole and include certain tables and a letter.

INDEPENDENT OFFICES APPROPRIATION BILL, 1948

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3839) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue throughout the day, the time to be equally divided between the gentleman from Florida [Mr. HENDRICKS] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. WIGGLESWORTH]?

Mr. HENDRICKS. Mr. Speaker, reserving the right to object, the gentleman from Massachusetts asks unanimous consent that the debate continue throughout the day. It is not intended that we shall close debate today, unless we come to the place where nobody desires to speak, because our time is a little short and I do not know how many requests will be made.

Mr. WIGGLESWORTH. I am intending to leave that matter open.

Mr. HENDRICKS. Very well.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3839, with Mr. SPRINGER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this bill has a very wide scope, covering some 33 different agencies or items. Three of those agencies, the General Accounting Office, the Bureau of the Budget, and the Civil Service Commission touch every activity of the Government.

It carries within it appropriations of over \$8,167,000,000, and also authority to expend by the Maritime Commission up to \$207,100,000.

I may mention in passing that 85 percent of this over-all total is for the Veterans' Administration, and that of that 85 percent about 85 percent is for bene-

fits which the Congress has provided for our veterans.

This bill comes to you with a united front from the subcommittee handling the bill; and I want at this time to express for myself and for the majority members of the committee sincere appreciation of the cooperation and helpfulness of the three Democratic members of the subcommittee who have handled this bill: the gentleman from Florida [Mr. HENDRICKS], former chairman of this subcommittee; the gentleman from Alabama [Mr. ANDREWS] and the gentleman from Texas [Mr. THOMAS]. The committee has worked harmoniously, and, as I have said, the bill comes to you with its unanimous recommendation.

I also want the RECORD to show my appreciation of our clerical staff and particularly of our very able, very hard working, and very tactful executive secretary, Bill Duvall, whose work has been most helpful to every member of this committee.

I want also to express my thanks to the committee investigators whom we have had authority to employ for the first time this year under the Reorganization Act, and to state that the committee has been most fortunate in the investigators it has been able to secure to help it in connection with this bill. They have included expert accountants of the highest possible standing. Their work has been invaluable. I am sure they have convinced every Member of the subcommittee of the value of the investigating force which has been established for the first time this year.

TOTAL REDUCTIONS

As you will note from the report, this bill carries with it reductions in items classified technically as appropriations of over \$330,000,000. It also carries with it reductions in original budget estimates made in accordance with recommendations by committee investigators, reductions in Maritime expenditure out of its revolving fund carried in the President's budget, and rescissions of prior appropriations amounting to over \$576,000,000.

The committee is also able to report to the Congress that as the result of the work of its investigators there has been discovered additional revenues not included in the President's budget, amounting to over \$505,000,000.

In other words, I think it is a fair and conservative statement to make that if the recommendations of your committee are approved, the over-all situation from the standpoint of the United States Treasury, compared with the President's budget estimates, will be improved to an extent of over \$1,411,000,000.

There are several general matters on which I should like to touch before turning to specific agencies. These matters are brought out in the committee hearings.

GENERAL ACCOUNTING OFFICE TESTIMONY

The General Accounting Office gave testimony which to my mind was amazing. It stated in effect that in the opinion of that Office there is almost no semblance whatsoever of proper cost accounting anywhere in this Government of ours; that literally billions of dollars

have been spent that can never be accounted for, that there is no proper conception in the Government of the value of accounting, that nobody ever thinks about accounting until long after the money is spent.

Mr. Chairman, that statement strikes at the very heart of the whole problem of controlling expenditures. It is almost inconceivable that proper control can be hoped for under such conditions.

Incidentally, the General Accounting Office also reported that it had found no less than 395 cases of waste and extravagance during the past 2 years and no less than 1,011 erroneous payments and failure to protect the Government's interest.

The General Accounting Office was particularly critical of the Maritime Commission, the War Shipping Administration, the Reconstruction Finance Corporation, the Commodity Credit Corporation, and the Federal Public Housing Administration.

It appears that the General Accounting Office has encountered great difficulty in getting established in various agencies of the Government, accounting systems believed by it to be essential. The bill before you tries to help out somewhat in that connection.

BUREAU OF THE BUDGET TESTIMONY

The testimony of the Bureau of the Budget is also interesting. It shows that we are confronted not only by a direct public debt of over \$259,000,000,000 but by a direct public debt, including contingent liabilities, of almost \$432,000,000,000.

Under permission to extend my remarks I include certain tables from the hearings in this connection.

Public debt and other liabilities of the U. S. Government as of Dec. 31, 1946

Direct public debt:	
Interest-bearing debt.....	\$257,649,121,076.59
Matured debt on which interest has ceased.....	394,794,518.51
Debt bearing no interest.....	1,104,850,390.73
Total direct public debt.....	259,148,765,985.83
Contingent liabilities:	
Obligations guaranteed by the United States.....	338,564,942.14
Obligations issued on credit of United States:	
Tennessee Valley Authority.....	2,000,000.00
Funds due depositors by Postal Savings System.....	3,217,192,461.00
Federal Reserve notes (face amount).....	24,151,175,536.39
Total contingent liabilities.....	27,708,932,939.53
Unliquidated obligations incurred against appropriations and contract authorizations.....	22,895,000,000.00
Loan guaranties outstanding:	
Insured housing loans—Federal Housing Administration:	
Primarily for repair, alteration, or improvement of property—Title I insurance.....	355,355,694.00
Secured by mortgages on structures designed primarily for residential use:	
Loans to improve housing standards—Title II insurance:	
Small-home mortgage insurance.....	2,485,595,688.00
Multifamily structures built for rental occupancy.....	52,463,827.00
War and veterans' emergency housing loans—Title VI insurance.....	1,344,921,678.00
Guaranteed war production and termination loans (V and T loans)—War and Navy Departments and U. S. Maritime Commission.....	17,454,000.00

Public debt and other liabilities of the U. S. Government as of Dec. 31, 1946—Con.

Loans guaranties outstanding—Con.	
Guaranteed loans secured by agricultural commodities—Commodity Credit Corporation.....	\$111,979,000.00
Agreements to participate in loans by commercial banks to business enterprises—Reconstruction Finance Corporation (including Smaller War Plants Corporation).....	331,673,000.00
Acceptances and loans by private banks under "take-out" agreements with the Export-Import Bank of Washington.....	182,193,000.00
Guaranteed loans to veterans of World War II under the Servicemen's Readjustment Act of 1944, as amended—Veterans' Administration:	
Home loans.....	1,165,640,670.65
Business loans.....	53,297,074.67
Farm loans.....	31,090,838.32
Guaranteed premiums on life-insurance policies and guaranteed interest on policy loans to military personnel under the Soldiers' and Sailors' Civil Relief Act of 1940—Veterans' Administration.....	8,492,680.00
Total loan guaranties outstanding.....	6,140,147,150.64
Insurance in force:	
Life insurance:	
United States Government Life Insurance.....	2,349,925,688.00
National service life insurance.....	34,249,680,000.00
Property insurance—War Damage Corporation.....	500,000,000.00
Marine and war-risk insurance—War Shipping Administration.....	673,767,968.00
Insured deposits in commercial and mutual savings banks—Federal Deposit Insurance Corporation.....	72,000,000,000.00
Insured savings and loan association share accounts and creditor obligations—Federal Savings and Loan Insurance Corporation.....	6,254,345,000.00
Total insurance in force.....	116,027,718,656.00
Total public debt including contingent liabilities.....	431,920,564,732.00

The testimony also shows some 2,286,000 persons on the Federal pay roll as of February last, or about 400,000 more than predicted by the Civil Service Commission a year ago.

It indicates little, if any, progress in eliminating duplication and overlapping between Federal departments and agencies. It will be recalled that the General Accounting Office not so very long ago stated that there were no less than 29 agencies engaged in lending Government funds, 3 insuring deposits, 34 in the acquisition of land, 16 in wildlife preservation, 10 in Government construction, 9 in credit and finance, 12 in home and community planning, 10 in materials and construction, 28 in welfare matters, 14 in forestry matters, 4 in bank examinations, and 65 in gathering statistics.

The testimony also shows the extent to which personnel of war or emergency agencies recently terminated has been transferred to other pay rolls of the Government.

Incidentally, the record also indicates a greater staff at the White House than ever before; a travel item for the White House 100 percent in excess of that 2 years ago and under emergency funds, provision for extra White House staff to the number of 14, part, if not all, of whom were previously carried on the rolls of the Office of War Mobilization and Reconversion which the country was led to believe had been abolished.

INCREASE IN PERSONNEL FORCE

I call your attention to the enormous increase in the personnel force throughout the Government. There are 29,397 persons engaged in this work today as compared with 4,197 in 1933, an increase of 700 percent. On the basis of the yardstick which the Bureau of the Budget suggested to your committee as fair in this connection, 1 personnel worker to 150 employees, it is at least double in size that required to service the present pay roll.

TOO MANY GENERALS

I mention also in passing that agency after agency appearing before your committee showed a very top-heavy set-up in terms of personnel. The committee has included in its report a recommendation that subsequent reductions in force be made with this in mind. The Bureau of the Budget and the Civil Service Commission should help in this connection. The Congress does not intend that reductions in force be taken exclusively out of the lower-paid personnel.

Mr. Chairman, it is impossible in the time available this afternoon to go into detail with respect to every agency provided for in this bill. We have, I think, a very good report which covers the action of the committee pretty carefully in respect to the various agencies involved. I am going to limit myself to just three or four of the agencies in question, particularly those into which we sent committee investigators. I shall leave discussion of other agencies to other speakers or to discussion under the 5-minute rule.

VETERANS' ADMINISTRATION

Let us take a look at the Veterans' Administration request to start with, because I think we are more interested in that item than any other item in the bill.

Somewhat over \$7,075,000,000 was requested by the Administration. Your committee recommends an appropriation of over \$6,944,000,000, or a reduction in the revised budget estimates of something over \$130,000,000, as well as a rescission of \$50,000,000 which the Veterans' Administration finds it will not require in the fiscal year 1948.

I want to emphasize as the report emphasizes that no recommendation made contemplates any cut in any benefit which has been provided by the Congress for our veterans; that no recommendation contemplates any cut in financial assistance to the disabled, to the widowed, to the orphaned, or in medical care for those who are eligible.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. I want to ask the gentleman about the cuts in the Administrative Medical Hospital and Domiciliary Service, a decrease of \$38,959,200 compared to the 1948 budget.

Mr. WIGGLESWORTH. If the gentleman will be patient and will permit me to make my statement as a whole, I think it will cover that question and others that she has in mind.

What the committee has been primarily concerned with has been the administrative expenditure and policies of the Veterans' Administration which have been under fire in the past by national veterans' organizations, by national publications, and by other groups and individuals.

Mr. Chairman, I do not want to be too critical of existing conditions in the agency. I realize full well that the Veterans' Administration has had a very difficult job, particularly during the period of heavy demobilization. I am sure that General Bradley will do his utmost to straighten out conditions which prevail at this time.

Nevertheless, I think I ought to state and state frankly that I, for one, am very much disturbed by facts disclosed in the committee hearings.

There appears to be no proper central control over personnel. I think that control was lost back in December of 1945 when the heads of branch and regional offices were authorized and directed to take over the function of hiring and firing. You will find the letter carrying those instructions in the hearings. You will find that no less than 47,000 employees were added to the rolls in the period of 6 months immediately after that letter was written, and you will find today a disproportion as between different branch offices, as between different regional offices, and as between the administrative and maintenance personnel in different hospitals, which just is not reasonable. There is today in the central office, our investigators inform us, no proper record of positions and salaries in the various field offices.

There also appears to be no proper central control over supplies. There are supplies at the central level, at the branch level, at the regional level, and at the subregional level and an absence of proper control here in Washington.

In the real estate and construction field there is evidence of delay, of lack of efficiency, and of waste. Only 22 sites for hospitals out of the 76 hospitals last authorized have been selected. Only seven of them are under construction. Purchase price and appraised value seem to be out of line. The policy now pursued would seem to drive up the cost of desirable real estate inevitably. The costs which we have paid and are paying for construction are far out of line with construction in other fields.

Our investigators are of the opinion that decentralization has not worked out as it was hoped, that it has resulted in duplication and confusion in many instances at the several levels of control.

The General Accounting Office tells us that no less than \$30,000,000 of overpayments have been made by reason of negligence in the Veterans' Administration regional offices.

In the insurance field the picture is such that those in charge tell us it will take at least a year to straighten things out. There has been no actuarial work for many months. There is no real information as to the status of insurance funds, as to surplus, as to reserve, and there are no less than 1,200,000 premium payments which have been paid which

it has been impossible to allocate to the proper policies because those policies are at present located in any one of 14 different places, and nobody knows in which of them. Perhaps I might quote just a couple of paragraphs from our investigators' report in this connection:

Our studied opinion of the Veterans' Administration is that it is badly disorganized and greatly over-staffed. In many respects approaches have been impractical and out of harmony with generally accepted and approved business procedures. The decentralization program initiated on December 10, 1945, has been ineffective, extremely costly, and confusing. It is clearly evident that there is a great need for firmer control and deeper appreciation of the responsibility for conducting Veterans' Administration affairs at a much higher level of efficiency and in a more economical manner.

We are deeply appreciative that with few exceptions the persons we contacted during the review were most cooperative and helpful. We observed that many of these people were cognizant of the unsatisfactory conditions but were powerless to correct the situation and are themselves working under severe handicaps.

I repeat, Mr. Chairman, I do not want to be too critical of the Veterans' Administration, but the conditions I have referred to must be straightened out. They must be straightened out in the interest of every veteran in this country of ours. Nobody wants to see a repetition of such conditions as we had in the Veterans' Administration after World War I. Nobody wants to see the foundation laid for another act slashing service-connected disability compensation such as we had under President Roosevelt in 1933.

It has been impossible for your committee to do a careful or complete piece of work in the time available. The work of our investigators has been necessarily limited to the central office in Washington, and essential information simply was not there.

I believe, however, that the cuts which are recommended are fully justified, and I want to point out that in terms of personnel the reduction made by your committee is much less than that recommended by committee investigators. The committee preferred to be conservative, particularly in view of the fact that they believe General Bradley has a full appreciation of the importance of proper central control over personnel and already has studies under way in that connection.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 15 additional minutes.

The Members will find the reductions made in respect to the Veterans' Administration on page 22 and on page 44 of the committee report.

You will see in the first place that we made a reduction of about \$27,000,000 in respect to personnel. This means a reduction of about 10,000 in a request for 215,000, or about 5 percent, and it is made in the light of the statement by General Bradley that the peak of administrative work has now been passed.

The committee has made certain specific suggestions as to where it seems reductions of personnel can be made,

notably in the personnel set-up, where there is one personnel worker for every 52 people on the rolls; notably in coordination and planning, which I think has long been recognized by veterans' organizations as overstuffed; and notably in public relations, which was carried on a basis of 300 and which the committee has restored to a basis of 100 in accordance with the action of the House 2 or 3 months ago.

Personally, I think the claims service, special services, contact services, and other services should be carefully scrutinized by General Bradley, particularly where the work in question can be efficiently done by one or more of the existing national veterans' organizations.

You will find two tables in the hearings referring to branch and regional offices—that in respect to branch offices indicating a variation in personnel between offices of 258 percent; that in respect to regional offices indicating a variation between offices of 450 percent. Of course, certain variations are understandable, but General Bradley himself has admitted that the variations in question are not reasonable and has stated to us that he is now in the process of adjusting those offices along the lines that the committee has suggested.

Taking a middle ground yardstick for the branch and regional offices our investigators arrived at a possible reduction of about 21,000 in Veterans' Administration personnel. This was over and above any possible reductions in maintenance and administration personnel in hospitals, in supply depots, and in the central office here in Washington.

The committee has indicated, as you will note from the report, that it does not intend the reduction in personnel in this bill to apply to hospitals in any way, shape, or manner.

The other items of reduction are in respect to other obligations which you will see listed on page 22 of the report; in regard to certain office buildings requested for regional offices, 11 all told, in regard to which the committee adopted the general policy of postponement in view of the high prices and in view of the need of hospital construction, in the absence of compelling considerations.

Provision is made for 4 of the 11 offices in the bill as reported to you.

It has also cut printing and binding, putting it back to where it is this year. The record indicates among other things in this connection that over 3,674,000 blank forms are requested or about 200 for every veteran or 30 for every person in the United States. Also that some 303,000,000 letterheads are requested which would allow every Veterans' Administration employee to write about 1,348 letters in the fiscal year 1948. There are three warehouses in contemplation for this printing and binding—one in Washington, one in Missouri, and one in California. There appears to be no record of the value of the inventories on hand.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield.

Mr. WIGGLESWORTH. I yield.

Mr. PHILLIPS of California. Has the gentleman made reference to the fact or does he intend to point out that there

are on hand great quantities of these forms which he is suggesting are planned to be bought by the Veterans' Administration?

Mr. WIGGLESWORTH. Yes; I think there are something like 390,000,000 items in the Washington office alone at this time.

There is a small reduction in the amount requested for operation of canteens, because they are paying better than was originally anticipated.

There are two other reductions—one with respect to Army and Navy pensions, and one with respect to the hospital and domiciliary request.

For Army and Navy pensions, the committee recommends about \$2,172,000,000 or \$25,250,000 more than in the current fiscal year.

You will recall that this item was overestimated this year by the Veterans' Administration. Two hundred million dollars was rescinded, and there appears to be even on that basis a carry-over of \$20,000,000 into the next fiscal year.

The investigator recommended a reduction of \$362,000,000 in this item by a very careful mathematical formula based on experience.

The revised estimates took out about \$269,000,000 of that, leaving a balance of \$93,000,000. Your committee has effected a further reduction of \$50,000,000 instead of \$93,000,000. Of course, it is a matter of mathematics, and whenever the pensions are actually payable, the money will be forthcoming.

As to hospital and domiciliary facilities, we have authorized the 15 new hospitals requested, which will give us a total, over all, of 152,000 beds, and we have withheld \$30,300,000 and rescinded \$50,000,000 because of a recomputation by the Veterans' Administration in the light of the actual rate of construction which is less than anticipated, making it possible to make the reduction with the full approval of the Veterans' Administration.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. It seems to me, in listening to the suggestions that the investigators have made to this committee, that my argument that it is very important to have a Department of Veterans' Affairs is vindicated and justified. You ought to have one huge building here in Washington where veterans' affairs can be taken care of; where their files can be kept, so that you will know where the insurance policies of these poor men are. I know of many beneficiaries who have not received any insurance checks. If you had one big central office, the files could be kept there. At least, they would know where the papers were. It has been inexcusable that the Insurance Division has been allowed to go on in this way. Does not the gentleman feel so?

Mr. WIGGLESWORTH. I think it is a very unfortunate situation. I will say to the lady that I am advised it is the practice of every big insurance company in this country to centralize its records.

Mrs. ROGERS of Massachusetts. And also every big insurance company

presents the person who is insured with an insurance policy. As it is today, sometimes the veteran does not even have a slip of paper to prove that he has insurance. With the papers lost or misplaced, a man has no record that he has taken out insurance. The Committee on Veterans' Affairs has investigations going on at the present time and hopes soon to have some recommendations that will solve some of the difficulties. I know General Bradley has a difficult job, one of the most difficult jobs in the country, and I know he would welcome help. It is obvious that he needs it.

Mr. WIGGLESWORTH. I think the lady is correct.

Mrs. ROGERS of Massachusetts. I would like to ask the gentleman this question: I notice there is a decrease of \$30,000,000 for automobiles for amputees, but that was taken out because it was passed in the first Supplemental Appropriations Act; is that not true?

Mr. WIGGLESWORTH. There was no request submitted by the President for that purpose.

Mrs. ROGERS of Massachusetts. And there is a \$500,000 decrease for the vocational rehabilitation revolving fund. The House passed the bill some time ago. Will that make any difference now that the Senate has passed that bill? The House passed the bill authorizing an additional \$500,000 as a revolving fund for loans to veterans.

Mr. WIGGLESWORTH. That is in the same category. No request was embodied in the budget recommendations.

Mrs. ROGERS of Massachusetts. The President will undoubtedly sign that bill. There will probably be an appropriation made in a deficiency bill or when this bill reaches the Senate.

Mr. WIGGLESWORTH. If there are additional funds required, they will be provided for either in the Senate or in a supplemental appropriation bill.

Mrs. ROGERS of Massachusetts. I understand there is no decrease in the personnel for hospitals. Is that correct?

Mr. WIGGLESWORTH. That is correct.

Mrs. ROGERS of Massachusetts. There will be the same number of doctors and nurses?

Mr. WIGGLESWORTH. I may say in that connection that although there have been various reports circulated throughout the country to the contrary, the record is clear that the Appropriations Committee and the Congress have not denied one cent or one employee requested for the hospitals, and that, as a matter of fact, General Hawley's personnel is not yet up to the personnel ceilings allowed by the Bureau of the Budget.

Mrs. ROGERS of Massachusetts. I should like to ask the gentleman another question, and that is if his committee did not find in many of the offices that the rating boards are very much overworked? I know in the Boston office the chairman of the Rating Board had a very serious break-down, a heart attack, because he worked Saturday afternoons and Sundays. I think the gentleman will find that the Rating Boards

are generally undermanned, understaffed, yet it is one of the most important departments of the work of the Administration because it means the real compensation for veterans in many instances and justice under the act.

Mr. WIGGLESWORTH. I may say to the gentlewoman from Massachusetts that there seems to be a tremendous amount of review work.

Mrs. ROGERS of Massachusetts. It has been my experience that there is no real decentralization, that the branch office goes through the motions of approving contracts, personnel, and so forth. Then they go back to the Washington office for approval. It seems to me much of the fault is right here at the central office in Washington. Does not the gentleman find that so?

Mr. WIGGLESWORTH. I hope things can be put on a really efficient basis at the earliest possible date.

Mrs. ROGERS of Massachusetts. I think it would be very helpful if the Appropriations Committee and the Committee on Veterans' Affairs got together on recommendations for permanent improvement.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. KEATING. As I understand it, in the 1947 fiscal year a certain allowance was made to provide cars for amputees, but that if that money is not spent in the year 1947 it is not available to be expended in the year 1948. I have a couple of amputees in my district who are still in the hospital and therefore cannot make application for cars as yet, and I am interested in knowing whether there is any provision in this bill to take care of them; and, if not, what the factual situation is as to whether anything was requested.

Mr. WIGGLESWORTH. The fact of the matter is that the President made no request whatsoever for funds for this purpose in this bill. If further funds are required I assume they will also be taken care of in connection with a deficiency appropriation.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I will yield, but I want to say something about one or two other agencies.

Mrs. ROGERS of Massachusetts. As the gentleman knows, that bill expires on the 30th of June. The Senate has already reported out of the subcommittee a bill which would take in additional amputees, extending the time for filing for the cars; and on Thursday the Rules Committee has promised me a rule.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

Mrs. ROGERS of Massachusetts. The gentleman from New Jersey [Mr. MATHEWS], the author of the so-called amputee-car bill in the House will appear before that committee; and the chairman, the gentleman from Illinois [Mr. ALLEN], has asked certain amputees to appear.

It was felt when the bill went through as a rider to a deficiency appropriation bill in the Senate there were certain things that were very unjust, certain discriminations. It left out certain arm amputees, such as double-arm amputees. Such persons can drive cars very well, but they cannot go on street cars, they cannot hang on to straps, they cannot get money out of their pockets, they are jostled and sometimes knocked down.

Many Members of Congress feel that the blind should be furnished with cars.

The cost would be very small. The office felt it would be less than \$48,000,000 throughout 4 or 5 years, which is a mere bagatelle; and these men as a result of having cars go to work; they go to and from work. Double amputees go about the country selling things. They go to college. They will be taxpayers. They will bring money in to the Government; and also I would say to the gentleman that it is a saving because if a man can save his stumps so they do not get sore he does not have to go back to the hospital. Every day he is in the hospital costs from \$5 to \$7 or \$10. So there will be money coming back, there will be saving, as a matter of fact, to the Government.

Mr. WIGGLESWORTH. If the lady will yield, I should like to proceed.

Mrs. ROGERS of Massachusetts. The lady will be delighted to yield now.

Mr. WIGGLESWORTH. I may say to the lady, that I am sure we are all very sympathetic with the unfortunate veterans to whom she refers. I think, however, that the specific matter the lady refers to is a matter for the Legislative Committee rather than for the Appropriations Committee which now has the floor.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I notice that there has recently been a lot of interest manifested in psychoanalysts—not psychiatrists but psychoanalysts. I am wondering if the gentleman and his subcommittee gave any consideration to that question in relation to the Veterans' Administration or any other agency, the Public Health or any other department.

Mr. WIGGLESWORTH. I may say to the gentleman that I think he will find that there is in contemplation considerable assistance from psychologists, from psychiatrists, and possibly from psychoanalysts.

Mr. McCORMACK. I would like to get what information I can on this question. I understand that there is a hospital out West that is contemplating or has been giving some training to psychoanalysts. Can the gentleman give us any information in relation to that?

Mr. WIGGLESWORTH. I do not recall that particular hospital.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Texas.

Mr. THOMAS of Texas. If my memory serves me correctly, General Hawley in his presentation stated that he was taking these young medical

graduates and at the same time they were practicing within the hospitals he was also sending them to school. The upshot of it is he has been teaching these young doctors to be fine specialists in mental health. There are quite a number of them.

Mr. McCORMACK. Is he teaching them as psychoanalysts or as psychiatrists? Is the gentleman advised on that?

Mr. HENDRICKS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Florida.

Mr. HENDRICKS. I may say that General Hawley said he was teaching them to be psychiatrists—psychiatrists—not psychoanalysts.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I know there are two schools of thought among psychiatrists regarding psychoanalysts. One school of thought is the psychiatrist who does not believe in psychoanalysis. The other school believes in it. There is a question in some people's minds whether people should be psychoanalyzed or not. I think that is something that should be given careful consideration. General Hawley is to appear before the Committee on Veterans Affairs shortly and we expect to ask him questions—at least I do—on that matter.

I have been told that the Veterans' Administrator ruled against the psychoanalysis of veterans.

Mr. WIGGLESWORTH. Mr. Chairman, there are one or two other agencies in this bill I want to say a word about before my time expires.

UNITED STATES MARITIME COMMISSION

The first is the Maritime Commission because your committee has taken very strong measures in respect to this agency with the hope of clearing up conditions which have existed in the agency for many years.

The General Accounting Office has been particularly critical in its testimony this year of that agency. The older Members of this body will recall the charges that have been made on the floor in respect to the Maritime Commission and the War Shipping Agency year after year.

I have personally stood on this floor as they will recall, year after year and while emphasizing my strong interest in an adequate merchant marine for this country, and while paying my tribute to the magnificent work that was done during the war by the workers and management of the ship construction industry, I have pointed out again and again the scandalous conditions apparently existing in this agency, calling for a thoroughgoing investigation with a view to clearing up the situation there.

You will recall that the General Accounting Office found officially as of July 1, 1943, that no less than \$8,100,000 had been spent and improperly accounted for by that agency.

The testimony of the General Accounting Office this year shows that it has completed audits for the fiscal years

1944 and 1945; that these audits show a continuance of previous shortcomings, with little or no change in conditions; that the War Shipping Administration, now part of the Maritime Commission, has refused to supply pertinent data with respect to vessels acquired under the terms of section 902 of the Merchant Marine Act of 1936; and that a proper system of accounting, demanded as far back as 1937, has not yet been installed.

The record also indicates the following extracts from a report by the House Committee on Merchant Marine and Fisheries published as late as January 3 of this year in reference to the Comptroller General's report for fiscal year 1943. I quote:

One of the most distressing features of your committee's findings regarding the chaotic condition of the accounting systems of the United States Maritime Commission and the War Shipping Administration is that knowledge of the inadequacies of these accounts were long known and still uncorrected.

The failure by the Commission and the War Shipping Administration to take adequate measures during the following years to rectify a known condition is not understandable.

Duplicate payments by the Government could and did occur. Erroneous payments could be and were made. Amounts owed the Government might not be and were not collected promptly, if at all.

Failure to keep accurate current accounts and complete accounts resulted in very serious losses to the Government.

So far as we are able to discover those at the head of these two agencies made no substantial effort to install and maintain an accounting system adequate to the expanded tasks of the two agencies. As a result of this failure the Government is in the unfortunate position of having little or no practical opportunity of determining the propriety of expenditures amounting to billions of dollars. The action of the heads of these agencies in failing to require the installation of an adequate accounting system is not understandable.

I doubt if any Member of this body has seen more confusion or more conflict in testimony at any hearings than appears in the record of the hearings on this agency in connection with this bill.

Your committee, however, was fortunate in having a team of expert accountants who went into the agency, who went through its records, who reconstructed its whole budget picture, who brought us out information as the basis for intelligent analysis.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

In the light of their investigation, which incidentally showed that some \$37,000,000 subject to recapture had never been reported by the Commission, and that further revenues to the extent of over \$505,000,000 had been overlooked by the Commission, and in the light of the conditions to which I have referred, your committee decided that it was imperative to establish strict control over the financial operations of this agency.

In previous years, as the Members know, the agency has operated out of a revolving fund. This, in my opinion, has been the heart of the troubles referred to. So, your committee, in effect, recommends the discontinuance of that fund and the placing of this Commission on the same basis as practically every other agency of this Government.

In A-B-C terms, what your committee has done is, first, to prescribe definite limitations for each and every form of obligational authority the Commission must enter into in the fiscal year 1948; second, to prescribe one over-all limitation on the amount the agency can expend in 1948 in reference to either 1948 obligations or the obligations of prior years; and third, to provide for covering into the Treasury any balance in the revolving fund over and above that limitation and any receipts accruing to the fund during fiscal year 1948.

You will find in the report in detail the limitations on obligations and on expenditures.

If the recommendations of your committee are approved, the agency will be compelled to submit detailed estimates for the fiscal year 1949 and subsequently. The net result in dollars and cents is a reduction in proposed expenditures as carried in the President's budget, of \$120,900,000, and a rescission of funds either in the revolving fund or accruing to that fund during 1948 of \$108,000,000.

The committee is also assuring the possibility of disposal of ships on an "as is" basis through the allowance to purchasers of amounts necessary to put vessels "in class." It is believed that the work can be done better and cheaper in this manner with considerable relief to the finance department of the agency.

The committee also recommends that in the adjustment of sales prices under the Ship Sales Act no cash payment shall be made to any recipient who at the time is already indebted to the Government on account of ship transactions. In other words, existing indebtedness is to be reduced before cash payments are to be made.

WAR ASSETS ADMINISTRATION

Passing to the War Assets Administration, which is the third agency in which the committee's investigators worked most extensively, I may say that your committee made little or no attempt to go in detail into the charges that have been leveled at the agency. The reason for this is that, as the Members know, there is already a select committee working on that problem. I may say, however, that it did appear that up to October last the agency had no over-all inventory, that even today they have an inventory which the Administrator characterizes as only 75 percent correct; that a series of inaccurate figures have been submitted to the Congress by the agency, and that there seems to be an admission to some extent, at least, of the charges of corruption, waste, and inefficiency that have been made in the past.

The record indicates that the agency expects in the end to have received about \$30,000,000,000 of surplus property to dispose of. To date it has received about \$25,000,000,000. Out of that \$25,000,000,000, \$16,000,000,000 has been disposed of,

\$5,700,000,000 by gift or transfer and \$10,600,000,000 by sale; \$2,700,000,000 has been realized, the equivalent of an 18.3 percent net return on the property as a whole or a 21.3 percent return on the property sold.

For the fiscal year 1948 the agency expects to realize about \$1,191,000,000, and for that purpose asked us in its revised estimates for \$306,000,000, or about 25 cents for every dollar expected to be collected.

The original estimates called for \$327,500,000. After our committee investigators had worked with the agency for some weeks, that figure was reduced to \$306,750,000. Your committee recommends \$257,149,000, or a reduction of \$49,600,000 compared with the revised estimates, a reduction of \$70,350,000 compared with the original estimates, and a reduction of \$70,350,000 compared with the recommendation by our investigators amounting to \$78,200,000.

You will find a break-down of the reductions made in the report at page 6 in terms of personnel and other obligations.

No reductions were made in respect to the other agencies engaged in the disposal of surplus property because of the reductions made in the revised estimates.

Attention may be called in passing to the enormous amount of expenditure by the agency for advertising and to the commissions paid, ranging as high as 40 percent with respect to aircraft components, as high as 35 percent with respect to electronic supplies and cutting tools, and as high as 12½ percent with respect to other broker-dealer sales.

ATOMIC ENERGY COMMISSION

Just a word with respect to the Atomic Energy Commission. That agency came before us asking for \$250,000,000 in cash and \$250,000,000 in contract authorization.

At its first appearance it literally could give us hardly any information as to the funds available, as to obligations, as to personnel now on the job or the salaries paid to that personnel, as to additional personnel requested in 1948 or their jobs and salaries. In fact, we got no intelligent financial picture whatsoever.

Your committee told the Agency it was impossible to go before the House under such conditions.

Those representing the Agency thereupon went away and appeared a second time before your committee about 4 weeks later. All I can say is that we got a little but not much more out of their second appearance than out of the first.

One quotation from page 1521 of the committee hearings in this connection:

Mr. WIGGLESWORTH. The truth of the matter is you do not know how many people are on the rolls or what they are doing now, and you do not know what you need in 1948 and you are just making an over-all curbstone guess in dollars pending the time you hope to get things straightened out. That is about the size of it, is it not?

Mr. WILSON—

Who is the general manager—
That is part of it.

I might add that one of those who accompanied Mr. Lillenthal when he appeared before your committee told me

a few days afterward when I happened to meet him that every morning as he had awakened since the hearings he had hung his head in shame.

But for the vital importance of this activity, I doubt if the committee would have been willing to make any appropriation. Under the circumstances, however, it was decided to allow the contract authorization requested in full and to allow the \$175,000,000 of cash they requested, allowing the future to establish what the actual needs of this agency are.

I may state that the committee also authorized the Atomic Energy Commission to use up to \$25,000,000 of the appropriation for work in the field on cancer.

I may also add that the only excuse put forward by the Commission for its lack of knowledge and unsatisfactory presentation was embodied in a statement to the effect that the War Department had conducted this giant undertaking through the years with almost no financial records. It is difficult to believe that this can be true.

FEDERAL COMMUNICATIONS COMMISSION

The Federal Communications Commission has long been charged with favoritism to its friends and adverse action toward others.

On February 7, 1946, the Commission issued what is commonly referred to as its Blue Book referring, among other things, to the utilization of different types of programs by licensees. The Blue Book has been severely criticized as indicating that the Commission, under the guise of granting and refusing broadcast licenses, intends to control radio programs in violation of the provisions of the Communications Act prohibiting the censorship of programs.

In referring to standards and criteria, including those embodied in the Blue Book guiding Commission action, the Chairman of the Commission states on page 1225, part I, of the hearings that they "comprise the gloss which the Commission's decisions have written around the words 'public interest, convenience, and necessity.'"

It is to be hoped that the meaning and intent of the statute will not be lost sight of under the "gloss."

The Commission's request and the action taken in respect to it is referred to in the committee report.

Attention is invited to the criticism of this agency referred to in the survey by the Bureau of the Budget of the personnel, pay roll, and tabulating sections of the Commission under date of April 1, 1946, indicating, among other things, duplication and triplication of effort within and between sections, lack of coordination and clumsy and time-consuming procedures.

Further criticism of the Commission's personnel practices, job classifications, promotions, utilization of workers, and the like is embodied in the letter to the Commission from the Civil Service Commission under date of April 21, 1947.

This letter has only recently come to my attention and under leave to extend

my remarks is included at this point in the RECORD:

UNITED STATES CIVIL

SERVICE COMMISSION,

Washington, D. C., April 21, 1947.

Hon. CHARLES R. DENNY,

Chairman, Federal Communications Commission, Washington, D. C.

DEAR MR. DENNY: We are enclosing a copy of the report of inspection conducted during the period January 30 and February 28, 1947, in your Commission, with respect to personnel activities under rules, regulations, and instructions of the Civil Service Commission.

We have considered very carefully the report of our inspectors and, as a result, have arrived at the following conclusions:

1. There does not exist within your agency an effectively placed responsibility to act for you in connection with personnel transactions, and to check up and inform you as to whether or not personnel transactions are being consummated in accordance with applicable laws, rules, and regulations.

This is a matter which gives us very real concern. As you know, we have delegated considerable authority to act to the departments and agencies. We have done this with the understanding, however, that the heads of agencies will take every possible step to make sure that there is adherence to these standards.

This situation should be cleared up within the next 30 days. In the meantime, as indicated below, it will be necessary for us to withdraw certain delegations of authority to act.

2. There is a very serious question as to whether or not the positions in your Personnel Office are properly classified.

We understand that a classification survey of these positions is now underway. We are instructing our Personnel Classification Division to make sure that this survey has been finished, and appropriate action taken, not later than May 15.

3. Many of your positions do not appear to be classified in the proper manner.

As a result, we are instructing our Personnel Classification Division to get in touch with you, or your designated representative, in order to make arrangements for taking action which will bring most of these positions into line with the Commission's standards not later than May 15.

4. Our specific attention has been called to the fact that Mr. John L. Gittins is occupying a position as chief of section, which has been set up as an identical additional position to that held by Morton Z. Hunt.

This is clearly in violation of our regulations for setting up identical additional positions. There will be no authority for continuing both Mr. Hunt and Mr. Gittins in this particular position beyond May 15.

5. Until such time as our Personnel Classification Division certifies that your personnel office is in a position to handle classification matters in accordance with Civil Service Commission standards, all vice actions and all identical additional actions should be transmitted to the Personnel Classification Division for preaudit before becoming effective.

6. Prompt action should be taken to put into effect the recommendations in the attached report relative to efficiency ratings.

7. Prompt action should be taken to put reduction in force records in such shape that accurate determinations can be made of such matters as status and length of service.

8. Proper records and other safeguards have not been set up in connection with the making of temporary appointments.

This situation was called to the attention of your Commission in July 1946. It has not yet been corrected.

As a result, until such time as the matter has been corrected, no temporary indefinite appointments should be made until a representative of the Civil Service Commission has checked the appropriate files and has certified in advance that the proposed appointment is in accord with the provisions of Executive Order 9691 and the regulations of this Commission.

9. Our specific attention has been called to the fact that a former nonveteran monitoring officer was appointed to a position as radio operator when you had in your files qualified 10-point-preference applicants.

We cannot authorize the continuance of this person in this position beyond May 15.

10. There does not exist within your agency a well-defined promotion policy.

We believe that it is very important for such a policy to be in existence in each agency of the Federal Government. We urge that one be worked out and called to the attention of all of your employees just as soon as possible.

11. We concur in your decision to take prompt action to insure that there is complete compliance with both the letter and spirit of the laws, rules, and regulations dealing with the rights of veterans.

12. Our attention has been called to the case of a career employee who was honorably discharged from service in the armed forces in September 1945. She immediately applied for restoration in accordance with the provisions of the Selective Training and Service Act. After more than 8 months of corresponding with your Commission, she finally presented her resignation, giving as her reason the failure of your agency to restore her.

We believe that, even at this late date, a definite offer of a job should be made to this career veteran even though it may require the displacement of someone else in your organization.

We would appreciate it if you would advise us of the action taken in this case.

13. We concur in the other recommendations contained in the report of inspection.

We are informed by our representatives that you are very desirous of improving the situation in your agency insofar as the handling of personnel matters is concerned. We want you to know that we will be delighted to help and assist you in every possible manner.

Sincerely yours,

HARRY B. MITCHELL,

President.

Over 2 years ago an investigation of the Federal Communications Commission and its activities by a select committee terminated with the Seventy-eighth Congress.

The RECORD makes it plain that important matters under consideration at that time, including those involving alleged derelictions by Commission licensees have not been dealt with by the Commission in the meantime. Attention is invited to the testimony in respect to specific stations included in the hearings.

The investigation should not have been allowed to terminate when it did. It should be completed with a view to remedial legislation.

CIVIL SERVICE COMMISSION

Attention is invited to the testimony of the Civil Service Commission indicating, among other things, that 1,313 persons have been rated ineligible in cases where the question of loyalty has been the major factor between July 1, 1940, and March 31, 1947.

The testimony also indicates that there are at present some 7,220 names in the Barr file of the Commission and some 86,124 names in the Flag file of the Commission, both files referring to names in respect to which the question of loyalty is involved.

Attention is also invited to the following statement by Commissioner Fleming included in the committee hearings:

I know that there is a general feeling that if you can surround yourself with twice as many, or three times as many people as you have got, you will get a higher grade. In practice it does not work that way.

I doubt if many Members of the Congress will agree that in practice it has not worked that way. In fact, another member of the Civil Service Commission indicated disagreement with Commissioner Fleming's statement to this effect.

The fact, however, that the Commission now goes on record in opposition to the practice so widely believed to have been in effect, and recommends legislation to make it clear that the Congress does not intend that it shall continue in effect, is highly important to those interested in efficient government at a minimum cost.

GENERAL ACCOUNTING OFFICE

The committee did not include in the bill an item of \$1,000,000 proposed to enable the General Accounting Office to begin performance of the new duties imposed upon it by section 206 of the Legislative Reorganization Act of 1946. This section requires the Comptroller General to make a special expenditure analysis in the departments and establishments in the executive branch of the Government and report the results of his findings to the Committees on Appropriations and Expenditures in the Executive Departments and to the appropriate legislative committees of the two Houses, to enable Congress to determine whether public funds have been economically and efficiently administered and expended.

The Comptroller General met and discussed this new duty with a group of members of Committees on Appropriations and Expenditures of both the Senate and the House on March 1. On that occasion and again when he appeared before this committee he explained that he could make only general and tentative plans for the work in advance of an appropriation therefor. In asking for an initial appropriation of \$1,000,000, the Comptroller General was proposing only a modest beginning and explained that this amount would permit the covering of only a few selected agencies at the start.

The committee feels that with the assistance already being furnished by the General Accounting Office in its regular reports and otherwise to Congress and to many of its committees and with the additional help now available in the augmented committee staffs, no additional appropriation to enable the General Accounting Office to begin its new duties under section 206 of the Legislative Reorganization Act can be justified at this time.

The committee believes that if such expenditure analyses are to be made on such a scale by a permanent staff it should be done by the General Accounting Office. I have discussed this matter with the Comptroller General and he does not object to the elimination of this item of \$1,000,000, under all the circumstances involved, provided it is understood his Office cannot begin work pursuant to this new function unless and until an appropriation is made therefor at some later time. I think this, of course, will be clearly understood.

Mr. Chairman, there are other agencies that I might comment on, but I am not going to take up any more time, and I yield back the balance of my time.

Mr. HENDRICKS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first I want to take this opportunity to say that I have never worked with a finer group of men than the members of this subcommittee. I want to pay my compliments to the chairman, the gentleman from Massachusetts [Mr. WIGGLESWORTH] for his splendid attitude toward the minority. At no time did we make any reasonable request that was not granted. We were treated as gentlemen, and treated just the same as the majority, except where a decision had to be made and there was some disagreement.

I also want to say that the gentleman from California, [Mr. PHILLIPS], the gentleman from North Dakota [Mr. ROBERTSON], and the gentleman from New York [Mr. COUDERT] were all fine men to work with, and of course the gentleman from Texas [Mr. THOMAS] and the gentleman from Alabama [Mr. ANDREWS].

The chairman of the committee, the gentleman from Massachusetts [Mr. WIGGLESWORTH], indicated that we came in here with a bill in which we had the unanimous support of the committee. In a way that is true, but I would like to point out that only on one occasion did we take a vote, and the chairman was the dissenting member of the committee at that time. So there was one dissent in our group.

Mr. Chairman, as a whole, we are unanimously behind this bill. As far as I know, I do not expect any amendments from the committee. I cannot speak for other Members of the House, but at this time I do not expect any amendments to be offered by the committee.

This is a very difficult bill. You may note it is the largest appropriation that has been brought before the House of Representatives this year, something over \$8,000,000,000. It was only \$5,000,000,000 last year in its original form. Of course, it was increased later by deficiencies.

There are about 30 or 33 agencies, depending on the way you count them and divide them up. Of course, the Veterans' Administration, as the chairman has pointed out to you, is the largest portion of this bill, amounting to about 85 percent of the entire appropriation, and of course almost 85 percent of that being for benefits for the veterans. So if the cut in this appropriation bill does not

seem to please some people, it may be simply because we could not afford to cut these benefits to the veterans.

The chairman has covered rather thoroughly the agencies in this bill, in fact the controversial ones. In a way, I am not in entire accord with the report and some of the cuts. There are one or two agencies that I felt we did perhaps cut too much.

First, I want to discuss with you, briefly, the Veterans' Administration and some of the constructive criticisms that were offered by the chairman of this committee and have been offered by others. I do not want to discuss it in detail, but I will say to you that the amount we have allowed the Veterans' Administration this year is close to \$7,000,000,000.

Now, you take any man and make him president or chairman of the board of any corporation worth \$7,000,000,000 and certainly he is going to have a great deal of difficulty. So I am not one of those who will go along with the criticism of General Bradley and the Veterans' Administration. General Bradley came before us and rather openly admitted his mistakes, particularly in regard to the handling of the veterans' insurance. I had some criticism to offer about that in specific instances, and I have others. But General Bradley has been on that job for only about 2 years. I have no doubt but that the Veterans' Administration is going to correct its errors, and I have no doubt but what General Bradley is perfectly willing for us to point out his errors, but I want everybody to understand in the meantime that they really have a big job on their hands. That is a \$7,000,000,000 corporation at the present time.

We cut other agencies. For instance, we completely cut out the Office of Government Reports. I was one of the very few, it seemed, who thought they served a good purpose. That, however, was eliminated entirely.

Then we come to the Federal Communications Commission and a 17-percent cut. I believe it was too great a cut in the bill. Of course, I am well aware of the fact that last year when I was chairman of this subcommittee we warned every agency that we expected them to reduce their expenditures in the coming years and that we were not going to continue to increase appropriations. On the other hand, the Federal Communications Commission is one of those commissions which has been created to handle work which is increasing every day. I wish I could go over with you the amount of detail, the amount of new work they have to handle. I think they made one error in freezing all applications not long ago and turning out so quickly so many of the applications which the lawyers and the engineers had already acted upon, because some of the members of the subcommittee drew the conclusion that since they had done such a good job in such a short while they did not need as much money as requested. So we cut the Federal Communications Commission, I think, too much. I am

not, however, going to offer any amendment on that. If they can convince the Senate that we have cut them too much perhaps they will get something back; I do not know.

All along the line we might have made some errors. We did some things that I disagreed with, but on the whole, I think we have done a rather good job in the reductions in this bill and I was a little surprised at the modesty of our reduction in most of the agencies. I thought from some of the things I had heard that we were really going to slaughter some of them.

Some time ago when we were called before the gentleman from New York [Mr. TABER] in regard to the ceilings to be put on the budget, my chairman suggested at that time that we might be able to cut the Veterans' Administration \$500,000,000. I reserved all opinion at the time because I had not seen the justifications. I find now that we have cut them only \$130,000,000, and I think I can allay any fears the gentlewoman from Massachusetts may have in regard to any benefits to which a veteran is entitled. We have not cut any benefits. The Veterans' Administration where it shows they need funds to carry out a veterans' program is not going to be denied the funds, I am sure, by any Member in this House.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield.

Mrs. ROGERS of Massachusetts. I know the committee has been extremely anxious not to cut them in any way, and I am sure the veterans appreciate it, and I know the entire membership of the House appreciates it.

Mr. HENDRICKS. As was pointed out a moment ago, the total in this bill for 1938 is \$3,167,869,027. This is the largest bill that has been brought before the House this session and it is a rather large bill.

The reductions that we made under the budget estimate are \$330,540,732. I do not know just what percentage that is.

Had we stopped there, I would have been perfectly satisfied and I would not have offered any criticism of our report. We did not, however, stop there; we added a table, and in that table there are a few jokers. Perhaps if I had been in the position of my chairman, I might have used these jokers myself, I do not know; but the point is that we did not use them last year when we had an opportunity to. In other words, if you will look at the table on page 45 of the report, the grand total of executive offices and independent establishments appears at the top of the page. It gives you the total of appropriations, plus the total of the cuts under the budget estimate. Then there is a line drawn and below that you have "Total savings due to reductions in original budget estimates, revised estimates, rescissions, reductions in expenditures, and increases in revenues." The total of that is \$1,411,690,732, including the amount that we reduced this under the budget estimate. I know the chairman of the subcommittee is going to ask me to yield and I will be glad to later, but let me go through these figures for a moment. I want it to be

clearly understood that there is nothing personal in this. The chairman and I are very close friends.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. HENDRICKS. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, I want the Members to examine certain pages in this report. If you will turn to page 35 of the report, you will notice there a reduction in the amount requested by the Atomic Energy Commission of \$75,000,000. Mr. Chairman, that is counted as a saving, and I suppose it is all right, but we do not actually commit ourselves to a saving on that item. In fact, if you will turn to page 9 and see what the report says, you will see what I am getting at. On page 9 we have the following language in the report:

In view of this situation—

Referring to the Atomic Energy Commission

and in order that research and development will not be delayed, the committee has determined that funds in the amount of \$175,000,000 should be provided for operation in connection with this important project on a part-year basis, additional funds to be provided during the early part of the next session to whatever extent developments at that time indicate such additional funds are required.

So we have not committed ourselves to take that \$75,000,000 out of the budget as yet. We have only said we will take it out, but you may come back later and request it. That cannot be counted as exactly a saving. If we were to say, "Under the Budget estimate" and stop, that might be one thing, but when we say "savings" we cannot call that a saving.

If you will turn to page 42 of the report you will find an item of \$20,000,000 there taken from the Philippine War Damage Commission. That is an obligation that we have made to those people of \$400,000,000. We simply say: "We will give you a portion of what you request now. If you need more later, you can come back." They can get \$20,000,000 more.

Turn to page 44 of the report and you will find an item of \$30,300,000 for hospital and domiciliary facilities that we took from the Veterans' Administration and on page 45 under the same item \$50,000,000 more, all of which totals to \$175,300,000. If you subtract that from the total reduction in this bill, \$330,540,732, you will find that the actual reduction in the bill is \$155,240,732.

Now, of course, we realize when we lower the budget estimate in the line there on page 45, where I give the total, that is all right, but we carried that on into savings and are putting it into the \$1,411,690,732. So we cannot call that a saving. That is the point I am getting at. The saving in the bill, less some other amounts I could name, is actually \$155,240,732 or less.

Let me show you the fallacy of some of the figures on page 45 in that table. We actually name them there. There is an item "Expenditure reductions" which includes the United States Maritime Commission, reductions in specific budget items and allocations from UNRRA amounting to \$120,900,000. We

go on down and we have the Federal Works Agency, United States Maritime Commission, Veterans' Administration, where we have rescinded appropriations to the extent of \$163,100,000.

Let me say, Mr. Chairman, that if the Democratic Congress in the last administration had wished to take credit for the rescissions made during the fiscal year 1946 in our fiscal 1947 budget, we would have absolutely nullified the budget and cut it over 100 percent.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. HENDRICKS. Mr. Chairman, I yield myself five additional minutes.

As I recall the 1947 fiscal budget was around \$45,000,000,000, and we actually rescinded about \$65,000,000,000, so we rescinded more than the budget, but we did not apply that as a credit against the budget, which is being done here.

Then we come down to a third item, printing and binding, reduction in original budget estimate \$1,500,000.

Pensions and compensation, reduction in original budget estimate \$269,825,000.

War Assets Administration, reduction in original budget estimate \$20,750,000, a total of \$292,075,000.

Now, we claim credit for that when we actually see in the report here that this was a reduction in the original budget estimates and came to us before we marked up the bill. We had no right to claim that as credit. In fact, it may be some saving. Some of these other funds may be a saving only to the extent that somebody might have exercised his authority in using these funds improperly, because those funds, with one or two exceptions, which remained there, were subject to return to the Treasury of the United States, regardless of what we did about it, at the end of the fiscal year. I concede there is some argument there in the way we might have made savings, because perhaps the Maritime Commission could have spent some funds that we did not want them to, and perhaps somebody else might have, but certainly the savings cannot possibly be substantiated.

In my opinion, Mr. Chairman, this is another bustle on the anatomy of the Republican economy. The truth of the matter is that if we were a concern which was issuing stocks and we issued a prospectus with these figures in it, one of two things would happen. The public, if they could interpret these figures, would not buy a single share of our stock; either that, or the Securities and Exchange Commission would suspend us and we would be prosecuted for fraud, because if we are misleading the people into thinking that we had either saved \$1,411,690,732 or that we had bettered the position of the Treasury to that extent, then we should not have, because we have not done so. Many of these funds would have reverted to the Treasury anyway. Many of them are not savings. Many of them are rescissions of funds that we knew were there and we wanted to take them back. Many, I think, are funds which are simply deferred. Many of them are contractual obligations.

I just wanted to make those figures clear, Mr. Chairman. I still say that the

chairman of this subcommittee did an excellent job. We have not really hurt anybody. We have not hurt the Veterans' Administration, I do not think, even though we took 10,000 employees away from them. If they think they need more employees in the future, we certainly will give them to them. I do not know what we have done exactly to the Maritime Commission. I think they will operate just as well under the provisions we have in this act, and sometimes I think the Maritime Commission asked for a scolding. I do not know what we have done to the Federal Communications Commission. There are one or two others that I would not cut quite as heavily as we did. However, I think the committee did an excellent job down to the top line of page 45 where they state that under the budget estimate we have reduced it by \$330,540,732. I think from there on we are making sort of a self-serving declaration, because we did not save \$1,411,690,732, and neither did we put the Treasury in a better position to that extent.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from New York.

Mr. COUDERT. The gentleman has very sweepingly and very completely disposed of the whole committee's position. I wonder if the gentleman was well advised in doing that? Does the gentleman deny that the point of departure, the point of comparison in this whole budget question, was the original Presidential budget that came down to Congress from the Bureau of the Budget? That is so, is it not?

Mr. HENDRICKS. Well, if the gentleman will go ahead and ask the rest of his question, I will answer it.

Mr. COUDERT. Let us take one step at a time.

Mr. HENDRICKS. That is true. I will clarify it later.

Mr. COUDERT. I take it the gentleman's position is that if subsequent to the inquiry started by this subcommittee one of those departments put on its hat and got on its horse and came charging down to Congress and said, "We have made a mistake, we have asked you for far too much money. We are going to submit a revised, reduced budget," those figures then are not proper to be added to any further reductions made to determine the difference between the original Presidential budget and the ultimate appropriation for the purpose of determining how much difference there is between those totals in the budget estimate originally and those finally adopted?

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. HENDRICKS. Mr. Chairman, I yield myself five additional minutes.

I may say to the gentleman from New York that in the last question he is carrying an assumption, and I cannot answer the question until I clarify the assumption.

Mr. COUDERT. Let me clarify it this way. Did not the committee's investigators investigate the Veterans' Administration, the Maritime Commission, and the War Assets Administration?

Mr. HENDRICKS. Right.

Mr. COUDERT. Did they not come in to us with specific recommendations for substantial reductions?

Mr. HENDRICKS. Correct.

Mr. COUDERT. Did not subsequently those administrations come to us and voluntarily say, "We are reducing our budget estimates"?

Mr. HENDRICKS. Correct.

Mr. COUDERT. And did we not subsequently reduce them even further?

Mr. HENDRICKS. Right.

Mr. COUDERT. Then why are we not entitled to claim the full amount?

Mr. HENDRICKS. Let me answer both the gentleman's questions. I said if we had taken the position that we were reducing it below the President's budget estimate then we would have been on safe ground, but look at the bottom line, "Total over-all savings from all sources including additional receipts not shown in the budget, \$1,411,000,000." It is not a saving. It is not a saving any way you can look at it. There are contractual obligations, there are deferred expenditures, there are even statements in the report that "If you need it, come back and we will give you more." If you had said "below the budget estimate" in that last line you would have had me, but I anticipated the gentleman's question. I also anticipated the question that our investigators scared the agencies into reducing their budgets. I have inquired of a number of the agencies, of qualified men, men whom we can trust, and they have told me that in some instances the investigators did help them reduce. In other instances they were reducing them anyway. So we cannot claim it all.

I will say that the investigators did give us a good picture, they gave us a lot of helpful information.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman feels it was just a coincidence that the figures of reduction were the same as the figures of our investigators?

Mr. HENDRICKS. I do not want to say it, I do not mean to say it, and I have no intention of saying that. I say that a portion of it was caused by our investigators and a portion already had been planned before our investigators went in there.

Mr. PHILLIPS of California. The gentleman said that the committee had been somewhat broad in stating its credit for savings. Would not the gentleman think that if the committee sent its investigators into an agency and discovered an item of, shall we say, \$37,000,000 that had not been reported to the committee by the Bureau of the Budget as income for that agency during the year, the committee would have the right to take credit for that as having been the result of the committee's efforts?

Mr. HENDRICKS. Yes; and the committee discovered a lot of them through their investigators, but they did not discover all of them. What I am saying is that if you can properly interpret this bottom part of this page, all right, but certainly it is no \$1,411,000,000 saving, nor can we take credit for it.

Mr. PHILLIPS of California. So long as the taxpayer gets the benefit, I think most of us would care very little who gets the credit.

Mr. HENDRICKS. That is right.

Mr. PHILLIPS of California. But I have one further question which has to do with the gentleman's statement that if we say an expenditure is not to be made this year but can be made in the following year, we do not properly call that a saving. That is, if we say you are building a certain number of hospitals or you are buying this or that and you are not going to spend the money this year although it is in the President's budget to be spent, we are not necessarily entitled to call it a saving. It seems to me, putting the matter in very simple terms, that if the gentleman wished to buy a suit and decided he would buy it in the following year rather than this year, he would not call it a saving in his own personal budget for this year. I think I would call it a saving, and I think the committee is entitled to call it a saving.

Mr. HENDRICKS. I do not see how it can be a saving just because you have not bought the suit and are going to buy it next year. You can figure that you have to pay for it and sometimes interest.

But the point I am getting at is this. When you name one of these items and say this is cut under the budget, then nobody can quarrel with you about that, but when you name one of these items on which there is a contractual obligation and then say you can come back later this fiscal year and get the money if you want it, then I say you are not making any saving. What I am trying to point out is that part of this report is not altogether as it looks. It certainly is not by any means.

I will agree with you that \$330,540,732 is a cut under the budget estimates, but not all of that is a saving because \$75,000,000 is committed and we said, "You can come back and we will give it to you if you need it." Also many other things which I have pointed out.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. I am glad to yield to the gentleman.

Mr. COUDERT. This present discussion is very reminiscent of the long days that we spent in the sub-basement discussing this budget for 3 months.

Does the gentleman question this simple proposition that the figures shown on the table on page 45 reflect the difference between the final results with respect to those agencies and the original sum set up in the Presidential budget?

Mr. HENDRICKS. I would like to ask the gentleman a question in answering that question. Will the gentleman look at the last line above the drawn line on that page?

Mr. COUDERT. Yes.

Mr. HENDRICKS. If that had said "total below the President's budget estimate", would that have been correct?

Mr. COUDERT. The gentleman is begging the question.

Mr. HENDRICKS. I am not begging the question. The gentleman is not answering the question. If the gentleman had said on that last line, "the

total below the Presidential budget estimate, \$1,411,690,732", I could not have taken issue with him at all, but if the gentleman says, "total over-all savings from all sources including additional receipts not shown in the budget", it is not a saving and I can and do take issue.

Mr. COUDERT. Would the gentleman accept that total figure if the word "savings" were stricken out and the word "reduction" included instead?

Mr. HENDRICKS. Yes, provided you explain the top portion, the portions above that.

Mr. COUDERT. Does the gentleman find it very difficult to understand that what we state in this schedule, on the one hand, is the total requested by the President originally, and, on the other hand, the differences or reductions from that total which came out of this bill?

Mr. HENDRICKS. No. I might ask the gentleman a question. Was it difficult to put that in the bottom line there and say, "reduction under the budget" instead of "total savings"? That is what I am getting at. We are not making a total savings. Why bring it right down to total savings as indicated by the committee and about five lines from the top of the page in which we say and give the actual truth and the columns to show it is that much below the President's estimate? Then we go on to take credit for money that we have rescinded. Of course, if you want to say that the President did not put that in and call it a saving, all right, that is the way you interpret it. But I do not interpret it that way. It is not a saving when it would revert back to the Treasury anyway except perhaps somebody might have misspent funds, and we do not know that to have happened.

We take \$75,000,000 from the Atomic Energy Commission, but you say we do not know whether we should have done this or not and if you want to come back at the beginning of the next session we will give that back to you, and still you call it a savings. It is all right to say it is a reduction below the President's budget but we should not call it a saving. And in this case it cannot properly be called a reduction according to page 9 of the report. In other words, as I said, this is a bustle on the anatomy of Republican economy.

Mr. COUDERT. Is not the gentleman really engaging in a little game of semantics?

Mr. HENDRICKS. Not at all. I am engaging in a discussion of your figures which you cannot deny. If you will explain them to me differently, I might be glad to agree.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. HENDRICKS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS of Texas. Mr. Chairman, this bill represents on the part of the subcommittee between 7 and 8 weeks of long, hard work, and, I might add, very pleasant work. During that time I do not think I have ever seen a group of men work more harmoniously together than did this subcommittee.

The meat ax was not used on this bill or on any agency in the bill. Each agency was given fair consideration, and the amounts arrived at. Even though all of us did not agree in all instances, still the bill was based upon fair consideration, reasoned judgment, rather than any wholesale over-all cut.

I would like to pay respects to the distinguished subcommittee chairman and the majority members. I think I bespeak the sentiments of the minority members 100 percent. We have a very fine chairman, the gentleman from Massachusetts [Mr. WIGGLESWORTH]. I do not think there is a harder-working Member of Congress than the gentleman from Massachusetts. He is a gentleman at all times, and very considerate and very fair. Although we disagreed on many items, certainly no fair-minded man will fall out with another fair-minded man over any fair disagreement.

I certainly want to commend the other gentlemen on the majority, the gentleman from New York [Mr. COUDERT], the gentleman from California [Mr. PHILLIPS], and the gentleman from North Dakota [Mr. ROBERTSON]. All three of those gentlemen were new members on the Appropriations Committee. I think I can say with every degree of accuracy that when this bill was completed they knew just as much about it as any of the older members. Their work on the committee was most helpful, and we enjoyed working with them very much.

I think perhaps the chairman has written one of the finest reports I have ever read. It is exhaustive, and I think if the House wants to really understand this bill, if they will take the speech the gentleman delivered this afternoon and read his extension in the RECORD tomorrow and study his report, they will get a very fair understanding of this bill. I think it might be helpful to point out that this bill covers some 26 independent agencies of this Government. I think it might be well to mention, to clarify some of our recollections, just what those agencies are.

We start off, of course, with the Executive Office of the President, and then his Bureau of the Budget, and the Veterans' Administration, and the War Assets Administration. Then we come to a little agency like the American Battle Monuments Commission, but still a good one; it is doing good work. And then the Atomic Energy Commission, Civil Service, and the Federal Communications Commission, the Federal Power Commission and the Federal Trade Commission, and Federal Works Agency, and so forth and so on, down until we have some 26 of them.

It is not my purpose to quibble with the report of the chairman. I doubt if I could have written one as good and as complete; and it is not my purpose to quibble over the accounting and the use of figures, because, after all, we have had a lot of expert budget men through the years come before our committee. When you pin them down, the figures may be the same, but the way they scatter them around you may get a little different result.

The budget estimates for the fiscal year 1948 are about eight and one-half

billion dollars, which is almost as much money as this entire Government cost in the fiscal year 1940.

The committee recommended a reduction of about \$330,000,000. It should be pointed out that the budget estimates for the Veterans' Administration alone total about 87½ percent of this entire bill, and the Veterans' Administration requested about \$7,075,000,000. Think of it.

And then of the budget estimates for the Veterans' Administration, 85 percent is for pensions and benefits which the Congress has heretofore passed and which the country has practically endorsed 100 percent; namely, fixed charges which we cannot cut. But the point is, with those factors in mind we cannot expect any large and substantial cut in this budget. I doubt if we save in the long run \$330,000,000-plus in the way of reductions and estimates. I am not going to quibble, because someone said figures do not lie; of course not, but good accountants can certainly make them dance around. My point is simply this: What we really save, to be perfectly frank about it, and mean save in the sense that the taxpayers not only this year but in years to come will not have to make an expenditure of money—that is a saving—when you put it back that is not a saving; and that figure levels off at approximately \$120,000,000. I think the committee did a good job in saving that much. We could have blindly shut our eyes, got out the meat ax, and chopped without rhyme or reason, and destroyed essential services that this country wants and demands; but we did not. I will break down my estimate, and I think it is reasonable, and I think we perhaps can all agree on it.

As for the \$75,000,000 that we have taken off of the Atomic Energy Commission, the committee did not in truth and in fact intend a reduction there; it is merely a deferment. This is not a special touch-me-not commission, not by any means. If we find anything wrong with it—and certainly we have not in the slightest—be assured we will make some reductions.

On the other hand, I think this agency is entitled to special dispensation at the hands of this committee and the Congress for the simple reason its work is secretive, and we must maintain that secrecy. The remainder of the world have their eyes on the United States as far as this bomb is concerned, and our activities in the production and manufacture of it. I need not tell you that some nations would like to know what we are doing and how we are doing it. So, after all, that is not a saving. We invited them back in January, and after taking another look at them we will give them what they are entitled to for the fiscal year 1949.

Mr. HENDRICKS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentleman from Florida.

Mr. HENDRICKS. This bill last year was a little over \$5,000,000,000, and the deficiency appropriations were something over four billion. I am wondering if it would not be interesting to watch the

deficiency appropriations on this bill in the coming fiscal year?

Mr. THOMAS of Texas. Why, of course. If we have been severe in any item, that is the purpose and the function of the deficiency subcommittee; but I, for one, am very much opposed to some items that have been called heretofore deficiencies when in truth and in fact they were not deficiencies at all. I will not belabor this point because I think it has been argued pro and con on each side very well.

Let me say something about the Veterans' Administration which, as I have heretofore said, covers 87½ percent of the total dollars for the whole bill. It was not the intention of the committee to reduce by one penny any of the benefits of the veterans. We have reduced the personnel of the Veterans' Administration by about 10,000 employees at a total cost of about \$27,000,000; but after that reduction they will have about 205,000 employees. General Bradley's testimony showed that about 30 percent of its employees quit their jobs annually. Think of that. Such a heavy percentage of job turnover is perhaps the greatest waste in personnel and personnel dollars that one can imagine. That waste, however, cannot fairly be attributed to General Bradley or his staff. The cause must come from many factors, namely, unrest, lack of competition for employment brought about by a high national level of employment, and so forth. We believe that during the fiscal year 1948 the loss of several hundred million dollars caused by turnover in jobs will cease and that those who remain on their jobs will increase their efficiency to such a degree that the reduction of 10,000 employees will not be missed. And in directing this personnel cut, the committee was careful to state that no reduction in personnel should come in any of the hospitals nor in any of the personnel who were taking care of sick veterans.

In the discussion this afternoon with my colleague the gentleman from Texas [Mr. TEAGUE], who serves on the Veterans' Legislation Committee, he stated to me that in a recent hearing before the Veterans' Affairs Committee, I believe this morning, General Hawley, Chief of the Medical Staff of the Veterans' Administration, testified that he needed about 28,000 more employees and an additional \$1,000,000. The committee had no such information before it. If General Hawley had made that statement before the Appropriations Committee I know we would have gone into it carefully and if he could have made the justification we would have granted him the money.

Perhaps what the general had in mind was this: As his hospital program is brought into effect and more hospitals are built and more beds put into use, then he will need that money, and if so, certainly the committee will grant it to him.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. May I ask the gentleman if he recalls the testi-

mony of Dr. Hawley disclosed on pages 502 and 503, part II, of the hearings:

Mr. WIGGLESWORTH. General, can you not give us for the record the number of veteran hospitals we have in the country, broken down into general medical and surgery, tuberculosis, NP, and domiciliary; and the number of beds available in each one of those classifications of hospitals, and the present occupancy, percentage-wise or otherwise, in each call of hospitals?

Mr. THOMAS of Texas. Yes; I recall that question being asked.

Mr. ANDREWS of Alabama. And the answer by Dr. Hawley is:

We have 74 general medical and surgical hospitals in operation, with a total standard capacity of 42,680 beds, and the average daily occupancy during March of 1947 was 38,404. We have 19 tuberculosis hospitals with standard capacity of 10,214 beds, and with an average occupancy during March of 6,869 patients.

Mr. THOMAS of Texas. Yes; I remember that testimony. And, I recall some later testimony of the general when he had more recent information to the effect that in the month of April he had 20,000 veterans waiting for hospital beds and he was not able to supply the beds.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of Texas. I am delighted to yield.

Mr. TEAGUE. What the gentleman has just stated answers the statement that figures can be made to tell different stories. If the gentleman will turn to page 508, at the bottom of the page, the gentleman from Massachusetts [Mr. WIGGLESWORTH] stated:

You have 126 hospitals with, roughly, 99,000-bed capacity.

What the gentleman stated on page 503 is just a very small part of what has been done.

Mr. THOMAS of Texas. May I say to my colleague from Texas, a veteran of this war, a fine outstanding fighting officer, a man that was in the thick of it, and was severely wounded, and he will carry that wound to his grave, you can depend upon this, that your committee is not going to let the veterans down in any aspect of their program, hospital or otherwise, and when they need the money they are going to get it.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield further?

Mr. THOMAS of Texas. I am delighted to yield.

Mr. TEAGUE. The gentleman from Massachusetts [Mr. WIGGLESWORTH] stated that the Veterans' Administration had not reached their current ceiling on personnel. I am sure that he wishes to be fair, and to be fair he should have told us the other side of that. General Bradley's answer to him was that it is not up to the current ceiling allowance but "I was reluctant to build it any higher than it is at the present time until I find out just how much I am going to have for fiscal 1948 because I do not see any use opening up additional hospitals and taking on additional personnel, and then having to cut down later."

Mr. THOMAS of Texas. That is right. Well, the ceiling is one thing that is set

by the Budget, and what the committee does is usually try to go along.

Mr. TEAGUE. Congress is not bound by the Budget at all; is not that correct?

Mr. THOMAS of Texas. Neither is the Congress nor the committee; that is right. We write the bill, and the Members of the House either approve it or reject it.

General Bradley and his staff have done an outstanding job. I might say they have done that fine job under most difficult conditions. The only possible exception is in the insurance division. I am confident that that division will show great improvement during the coming year. The insurance division has had a hard row, and I doubt if they are entirely responsible for it.

A large number of the independent agencies have a tremendous amount of work to do. The committee was deeply and favorably impressed with the way these agencies are performing their duties, such as the Federal Power Commission, under the able leadership of its dynamic chairman, Nelson Lee Smith; the Federal Communications Commission, whose work has quadrupled since 1940; the Securities and Exchange Commission; the Federal Works Agency, which has one of the finest records of any agency in the Government; the Tariff Commission; the Bureau of the Budget, under its new Director, James E. Webb, is bringing about needed changes in some agencies—good work; and the National Advisory Committee for Aeronautics, upon whom the American public rely to keep the United States not abreast with other countries of the world, but ahead of them in aeronautical developments for national defense. The committee has great confidence in this agency, and we expect from it great things.

We have not disturbed the President's emergency funds, although there was some question in the committee about them. Personally, I think the President—Democrat or Republican—should have such funds even in normal times, more especially now, as many governors have. Nor did we cut the funds for his office staff, which is greatly overworked.

The General Accounting Office is digging from under a tremendous load of war work. We can depend upon Comptroller General Lindsay Warren and his cooperative staff to protect the taxpayers by seeing that Federal funds are spent as the Congress directs. The Federal Trade Commission and the Interstate Commerce Commission have heavy schedules, and are doing good work. The committee raised the budget \$35,000 for railroad safety. We realize the Trade Commission's hands need to be strengthened by amending the Clayton Act to prohibit business monopolies. We hope the legislative committee will consider the matter soon.

We reduced the War Assets Administration about \$49,500,000, leaving \$257,149,000, which probably is too severe in view of drastic reductions by the Budget. General Littlejohn, the Administrator, has his hands full. He inherited a most deplorable situation. The great improvement in War Assets in the last 60 days is

a personal tribute to him and his staff, yet there remains much room for further improvement. I believe the General will obtain it.

The report shows the over-all cut for the entire bill to be \$330,540,732. To be exactly accurate, that figure should be about \$120,000,000, which is a reduction in the over-all budget of all agencies of slightly less than 1½ percent. The difference between \$120,000,000, the true cuts, and the figure listed as true cuts, namely, \$330,540,732, is made up of items of \$75,000,000 for the Atomic Energy Commission, which the committee did not intend as a reduction but a temporary deferment, and 80 million for Veterans' Administration, which is no true cut, because contractual authority was granted in equal amount, and 20 million for Philippine War Damage Commission, which we are obliged to pay, and 36 million for Public Roads Administration, which the Government must pay to the States.

However, the committee should receive credit for several rescissions and for clarifying certain deposits in the Federal Treasury which have not heretofore been listed, and which can be used to help liquidate our debts. These sums—\$5,100,000 from the Federal Works Agency, \$108,000,000 from the United States Maritime Commission, \$47,700,000 in allocations from UNRRA, and \$505,075,000 revenues available from the sale and charter of vessels by the United States Maritime Commission—make a total of \$665,875,000.

Mr. Speaker, by and large, this is a good bill. Perhaps several agencies have been cut a little too much, namely, the Federal Works Agency, the Federal Communications Commission, and the Federal Power Commission, and others, but at that, these agencies will be able to bear up under the cuts. After all, the taxpayers must have some relief, and the only way to obtain it is by cutting Federal expenditures.

The committee is particularly impressed with the high caliber of personnel of the Atomic Energy Commission. Chairman David E. Lilienthal, Admiral Lewis L. Straus, Commissioner Robert F. Bacher, Commissioner Sumner K. Pike, and Commissioner W. W. Waymack are truly outstanding Americans. Chairman Lilienthal, Admiral Straus, and Commissioner Pike are well known in Governmental circles as each of them has heretofore rendered invaluable service to the Government.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS of California. Mr. Chairman, I take this time only to express my personal regard for the chairman, for the other members of the committee on both sides, and for the two members of the staff who worked so closely with us during the time the subcommittee held hearings on this bill. That amounted to something over 10 weeks, as I recall. This is a very difficult budget problem. It is difficult because of the ramifications of the funds, because of the number of agencies involved, and, as the chairman of the com-

mittee has already pointed out, because of the failure on the part of many agencies to provide accounting systems which are comparable or to provide certain features of accounting, such as cost accounting or inventory accounting, which would make it an easier matter for the committees which have to approve their appropriation requests. Better accounting and budget practices will make it easier for the taxpayer in the long run. So while there are matters that have come up today that suggest some comment, it would seem better to reserve those comments until tomorrow when the bill will be read and discussed again.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Chairman, as a new member on the Committee on Appropriations, it is a matter of great personal satisfaction to be able to say in presenting the Independent Offices bill that we come before you with a unanimous report. It was of equal pleasure to me to be able to say this at the time the subcommittee presented the Treasury-Post Office appropriation bill.

I commend the Honorable Richard B. Wigglesworth for his leadership in piloting the work of this committee through the tedious hours and weeks required in holding these hearings. His fine sense of humor and his complete and absolute respect for the judgment of every Member, regardless of party, was a matter of genuine inspiration. He has been ably supported by the Members of the majority, and equally well supported by the Members of the minority. Congressmen HENDRICKS, ANDREWS, and THOMAS all are experienced men on the Committee on Appropriations, and at all times they, together with the Members of the majority, set about the task of bringing before the House this bill in the best possible form, and in all instances did they dedicate themselves to the welfare of the country. At no time did we attempt to take any advantage for one party or the other. I highly appreciate the efforts of the two members of the staff.

It would be quite impossible to attempt to cover all of the agencies in a statement made before the House today. This is the largest appropriation bill that will be passed by this Congress and perhaps it has required the most extended hearings and study of any one appropriation bill. It is obvious then that only a few points can be touched upon in a general over-all statement at this time.

We are confronted with one of the most difficult problems which a legislative body has to meet—the task of reducing appropriations in the face of demands for greater appropriations from nearly every agency. We have received little or no help from the heads of agencies in this all-important task of reducing appropriations. Yet, every man in this Congress realizes that this must be done and done at the earliest possible moment. Although the reductions in this bill below the original budget estimates sound somewhat large, I feel that the agencies which appeared before us were treated very judiciously by the subcommittee.

Large savings, as has been pointed out, have been effected by reductions in the original budget estimates as submitted by the President in his budget message in January. The cooperation of the agencies in revising their budget estimates has in some instances been very helpful. By and large the greater number came before us prepared to make a strong case for an ever-increasing amount of money.

I cannot fail at this time to pay special tribute to the Honorable Lindsay C. Warren, Comptroller General, and the representatives of his organization, the General Accounting Office. In presenting their case they recognize our problem perhaps better than any other agency. This is natural because their agency is known as a branch of the Congress of the United States. They fully understand the problems that are ours, that of representing the taxpayers of the Nation.

I have been impressed as I listened to these long days of hearings, which covered a period of more than 6 weeks, by the utter lack of uniformity of accounting in the various agencies. The Honorable Lindsay C. Warren and his staff pointed out to us the amazing fact that almost nowhere in the Government is there any semblance of cost accounting, and the billions of dollars that have been spent can never be properly accounted for. This is an alarming situation in a country so important in the world as ours. The Accounting Office showed the highest possible degree of willingness to cooperate in our drive for economy, and it began by proposing economy within its own organization. This was the rare exception to the rule.

In this bill we have added a provision which will authorize the Comptroller General to require proper accounting equipment and procedure in the agencies covered in this appropriation. We have stated often that the Government must be run like a private business. It is time that the house be put in order. I am confident that this provision is a necessary step in that direction.

One of the most difficult problems with which our Appropriations Subcommittee had to deal has been the tendency of the different agencies to become top-heavy with highly paid personnel. Especially is this true, because for 15 un-interrupted years the same persons have been with the same agencies, and it is natural that the heads of these agencies should assume that after this long span of time and ever-increasing appropriations there is no bottom to the barrel.

The Congress itself has been a contributor with promotions and pay increases. These highly paid Government experts have been so entrenched that their word sets the policy of the organization in which they are employed. Whenever an attempted economy is mentioned, these individuals see to it that economy is enforced somewhere outside their own little circle.

This has long been an administration known to the public as sympathetic to the common man. Yet it carried out this practice. It is the little fellow in the lower brackets, the more menial position in the field and zone office, who is fired. These highly paid experts remain. During all these years these of-

ficials have become truly experts in the field of propaganda and when economy threatens their lives they are not the least reticent in turning on the propaganda machine.

In this appropriation bill we have attempted to effect a down grading or reduction of personnel in the high-income group. If the intent of Congress is followed, these Government agencies will be able to perform more adequately the services for which they have been created. The committee feels that no great hardship will accrue to the various boards and commissions in the valuable work they are performing under the bill as reported to this House. Economy is our goal. There have been times this year when I felt that economy was sacrificed by reducing appropriations below the economy level, but I feel in this bill we are effecting true economy.

I direct your attention to the hearings and to the report of the committee accompanying this bill. I feel that the report is outstanding in its presentation and a most accurate expression of the committee's views.

You will observe that the Veterans' Administration represents approximately 85 percent of the total of this bill. I feel that it cannot be too strongly emphasized that no recommendation by the committee contemplates any reduction or change in any existing veterans' benefits. No recommendation of the committee suggests the reduction of even one penny in financial assistance to the disabled, the widowed, or orphaned, nor in medical care to those eligible. We have not denied money or medical personnel for hospitals, and personnel ceilings fixed by the Bureau of the Budget in this connection have not been reached. The recommendations of the committee concerned themselves with administrative expenditures and policies which have been under fire so often in the past by national veteran organizations, national publications, and other groups and individuals.

I know you have had an opportunity to read this in the committee report but the point I wish to make is that the committee is in no way breaking faith with the veterans and the commitments made by the Congress to the veterans. Cuts have been made but they are designed to effect economy without impairing any benefits of the ex-serviceman.

An admitted difficulty here is the rapid growth and size of the Veterans' Administration. No administrator or employee can be blamed for the rapid expansion of this agency. It is a direct aftermath of the war and was certainly foreseeable. It is only natural that an organization which so rapidly reached such gigantic proportions, having almost a quarter of a million employees, would have many financial wrinkles which need ironing out. It is the duty of Congress to assist in this as much as possible and I confidently feel that the recommendations made and the bill presented by the committee in this regard represent an honest effort to aid the Veterans' Administration with its tremendous problem.

While the committee has made some reductions in the Federal Trade Commission appropriations, I have been con-

cerned as to whether or not we should not move with caution in this direction. This particular agency has a very important function to perform. Within their hands, to a very large degree, rests the fate of the small businessmen of America.

The Nation has been gradually drifting in one direction for the past 15 years. Wealth is being concentrated in fewer and fewer hands, despite all the arguments, political and otherwise, that have been made to the contrary. Little of anything has been done down through these years to stop the growth of monopolies. This agency is equipped to do the job. It is reasonable to ask that it put its house in order, reduce its administrative costs, but appropriations should not be denied to an extent to reduce its effectiveness in this all-important phase of our American life.

On the contrary, the Maritime Commission is a top-heavy agency. It is almost beyond understanding for a new Member to attempt to follow the justifications made by this agency. Every aspect of the situation is involved. Their construction fund, which has long existed, precludes to a large degree any specific and direct tieup with the Appropriations Committee. You will observe that specific effort has been made to correct this bad condition.

Many of the agencies, conspicuous among them the Archives, have asked for comparatively small sums of money, yet show an expense account for administration which would rival some of the largest industrial plants of the country. The records reveal that they have assistants to assistants to assistants. These top-heavy administrative forces do not justify themselves, especially in an appropriation amounting to only \$1,600,000.

In conclusion I should like to deal briefly with the question of the liaison between Government agencies and the Advertising Council and the Motion Picture Council. I have looked into the question of the Advertising Council in considerable detail and I am convinced it is a splendid service this group of businessmen are rendering to the general public. It deserves adequate liaison with the executive branch and this liaison can best be operated out of the White House.

Because of the reluctance of Congress to continue the Office of Government Reports, which has not had too constructive a record over the years, it was a mistake for the Budget Bureau to establish this liaison service for the Advertising Council and the Motion Picture Council in the Office of Government Reports. The proper place for it is in the White House.

In eliminating the Office of Government Reports in its entirety I question the wisdom of the action of the committee. I believe it is desirable that the liaison work with the Advertising Council and Motion Picture Council should continue. My best judgment is that the work should be carried on by the staff in the White House with additional funds made available to the White House for salaries and expenses, recognizing the fact that as the country moves more and more into a peacetime economy, and as

we hope less and less subject to continuing crises, there is no reason at all why these liaison activities costing perhaps thirty or forty thousand dollars a year cannot be absorbed in the White House operations. It would in all probability require the services of five or six persons to carry on this work.

We recognize the work is important and under the circumstances this is the best way to handle it. The Appropriations Committee of the Senate and the House should be currently informed of any and all work undertaken in this connection.

The Subcommittee on Independent Offices wisely provided for the earmarking of \$25,000,000 of the sum total appropriated for atomic energy to be used for cancer research. This suggestion came to the subcommittee from a member of the Appropriations Committee, the gentleman from Illinois, the Honorable EVERETT M. DIRKSEN.

This is a timely recognition on the part of the Subcommittee of Appropriations of an all-important matter and makes available at once the necessary machinery to further this great campaign against the most deadly of human enemies, that of cancer.

Mr. HENDRICKS, Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield to the gentleman from Florida.

Mr. HENDRICKS. I forgot to do one thing that I fully intended to do, to pay my respects to the staff of this committee, Mr. Duvall and his colleague and also our page. Mr. Duvall has been one of the hardest working clerks I have ever known. He just got through with the Interior Department Appropriation bill and sat in on this. We are all grateful to him for the work he has done.

Mr. THOMAS of Texas. Mr. Chairman, will the gentleman yield?

Mr. ROBERTSON. I yield.

Mr. THOMAS of Texas. Mr. Chairman, I, too, would like to pay my respects to the members of our staff. They are fine gentlemen. They are very, very industrious and just as efficient as human beings can be. We are lucky to have Bill Duvall and his associates, and we appreciate their efforts and their assistance to the committee.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, that was a very dangerous concession of time because the subject matter for which I requested time is of such unlimited scope and of such enormous emotional appeal and intellectual appeal that I might go on indefinitely. I simply could not let this general debate conclude without raising my voice also in further testimony to the extraordinary fact that, after 3 months parked in the subterranean catacombs where members of the appropriation subcommittees are practically shackled during most of the session, this committee comes out all on speaking terms, all pleased with each other and full of mutual admiration. Let me say as a new member of the Committee on Appropriations that it has been an enlightening and delightful experience. I

have enjoyed working under our chairman. I have enjoyed sitting across the table battling these problems back and forth with these distinguished gentlemen from below the Mason and Dixon's line, not to speak of that charming Representative of the Gold Coast of California, as well as the gentleman from North Dakota.

Of course, no words of mine would be complete without admitting—or should not I admit for the RECORD—that all credit should go to those magnificent gentlemen like Bill Duvall, our clerk, who sat there with us patiently throughout this entire time and contributed no end of skill and industry toward producing this monumental work of art which is our report.

Mr. HENDRICKS. Mr. Chairman, the gentleman from Alabama [Mr. ANDREWS] feels that he should not be the only one not to say anything. Therefore, Mr. Chairman, I yield to the gentleman such time as he may desire.

Mr. ANDREWS of Alabama. Mr. Chairman, I will not take any time to explain this bill inasmuch as such a fine explanation has been given by our chairman and our ranking minority member. But I do want to take this occasion to express the pleasure that I have had in working with this committee. I believe we were in session for 10 weeks sitting at least 5 days every week and several weeks for 6 days, from 10 o'clock in the morning until 5:30 or 6 o'clock in the afternoon. I think it was one of the few committees that ever worked on National Memorial Day. Our chairman was driving us mighty hard on that day and we sat in an unusually long session on the one day that most every other Government employee was celebrating. I want to say our chairman is one of the hardest working men I have ever served with.

I think this is a good bill. I am happy that we have all come out of that dungeon on speaking terms and friendly.

Mr. WIGGLESWORTH. Mr. Chairman, I ask that the Clerk read.

The Clerk read down to and including page 2, line 2.

Mr. WIGGLESWORTH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SPRINGER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 3839, the independent offices appropriation bill, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the independent offices appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LEONARD W. HALL (at the request of Mr. WIGGLESWORTH) was granted permission to extend his remarks in the RECORD and include a newspaper article.

SPECIAL ORDER GRANTED

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent that on Monday next, after the legislative business of the day and any other special orders, I may address the House for 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 28. An act to supersede the provisions of Reorganization Plan No. 3 of 1946 by reestablishing the offices of registers of land offices, and providing for appointment of the Director and Associate Director of the Bureau of Land Management, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 30. An act to authorize the Secretary of the Interior to issue patents for certain lands to certain settlers in the Pyramid Lake Indian Reservation, Nev.; to the Committee on Public Lands.

S. 263. An act to provide for the carrying of mail on star routes, and for other purposes; to the Committee on Post Office and Civil Service.

S. 358. An act to provide for settling certain indebtedness connected with Pershing Hall, a memorial in Paris, France; to the Committee on the Judiciary.

S. 394. An act authorizing the issuance of a patent in fee to Raymond Wesley Doyle; to the Committee on Public Lands.

S. 395. An act authorizing the issuance of a patent in fee to Richard Jay Doyle; to the Committee on Public Lands.

S. 396. An act authorizing the issuance of a patent in fee to Thurlow Grey Doyle; to the Committee on Public Lands.

S. 397. An act authorizing the issuance of a patent in fee to Lawrence Stanley Doyle; to the Committee on Public Lands.

S. 399. An act authorizing the issuance of a patent in fee to Gladys May Doyle; to the Committee on Public Lands.

S. 403. An act authorizing the issuance of a patent in fee to Gideon Peon; to the Committee on Public Lands.

S. 451. An act to authorize the Federal Works Administrator through the Commissioner of Public Buildings to provide space to accommodate the needs of the District Court of the United States for the District of Columbia, and for other purposes; to the Committee on Public Works.

S. 483. An act to relocate the boundaries and reduce the area of the Gila Federal reclamation project, and for other purposes; to the Committee on Public Lands.

S. 484. An act to authorize and direct the Secretary of the Interior to issue to Joseph J. Pickett a patent in fee to certain land; to the Committee on Public Lands.

S. 686. An act to provide for the construction, extension, and improvement of public-school buildings in Owyhee, Nev.; to the Committee on Public Lands.

S. 751. An act to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1948, and for other purposes; to the Committee on the District of Columbia.

S. 753. An act to authorize the Secretary of the Interior to defer the collection of certain irrigation construction charges against lands under the Flathead Indian project; to the Committee on Public Lands.

S. 816. An act to repeal the Post Roads Act of 1866, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 851. An act for the relief of Belmont Properties Corp.; to the Committee on the Judiciary.

S. 924. An act to credit service in the military or naval forces of the United States in determining eligibility for and the amount of benefits from the policemen and firemen's relief fund, District of Columbia; to the Committee on the District of Columbia.

S. 966. An act to authorize the establishment of the District Educational Agency for Surplus Property in the municipal government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 1056. An act to amend the Servicemen's Readjustment Act of 1944, as amended, so as to permit adjustment of benefits authorized by section 1506 thereof and similar benefits extended by governments allied with the United States in World War II; to the Committee on Veterans' Affairs.

S. 1124. An act to amend the Boiler Inspection Act of the District of Columbia; to the Committee on the District of Columbia.

S. 1185. An act to provide for the disposal of materials on the public lands of the United States; to the Committee on Public Lands.

S. 1265. An act to amend sections 1301 and 1303 of the Code of Law for the District of Columbia, relating to liability for causing death by wrongful act; to the Committee on the District of Columbia.

S. 1266. An act to amend section 1064 of the act entitled "An act to establish a Code of Law for the District of Columbia," approved March 3, 1901, relating to admissibility of testimony by a party to a transaction when the other party is incapable of testifying; to the Committee on the District of Columbia.

S. 1306. An act relating to the construction and disposition of the San Jacinto-San Vicente aqueduct; to the Committee on Public Works.

S. 1316. An act to establish a procedure for facilitating the payment of certain Government checks, and for other purposes; to the Committee on Expenditures in the Executive Departments.

S. 1360. An act for the relief of Eric Seddon; to the Committee on the Judiciary.

S. 1392. An act to prescribe certain dates for the purpose of determining eligibility of veterans for vocational rehabilitation, and for education, training, guaranty of loans, and readjustment allowances under the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

S. J. Res. 113. Joint resolution authorizing the erection in the District of Columbia of a memorial to the Marine Corps dead of all wars; to the Committee on House Administration.

S. J. Res. 122. Joint resolution consenting to an interstate oil compact to conserve oil and gas; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 124. Joint resolution to enable the President to utilize the appropriations for United States participation in the work of the United Nations Relief and Rehabilitation Administration for meeting administrative expenses of United States Government agencies in connection with United Nations Relief and Rehabilitation Administration liquidation; to the Committee on Foreign Affairs.

S. J. Res. 125. Joint resolution to strengthen the common defense and to meet industrial needs for tin by providing for the maintenance of a domestic tin-smelting industry; to the Committee on Banking and Currency.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 310. An act to authorize the Secretary of War to permit the delivery of water from the District of Columbia and Arlington County water systems to the Falls Church or other water systems in the metropolitan area of the District of Columbia in Virginia;

H. R. 360. An act for the relief of the legal guardian of Francis Eugene Hardin, a minor;

H. R. 468. An act to amend section 115 of the Internal Revenue Code in respect of distributions by personal holding companies;

H. R. 620. An act for the relief of Blanche E. Broad;

H. R. 651. An act for the relief of the estate of Rubert W. Alexander;

H. R. 723. An act for the relief of the legal guardian of Hunter A. Hoagland, a minor;

H. R. 765. An act for the relief of Elwood L. Keeler;

H. R. 888. An act for the relief of certain owners of land who suffered loss by fire in Lake Landing Township, Hyde County, North Carolina;

H. R. 925. An act for the relief of Therese R. Cohen;

H. R. 1065. An act for the relief of the estate of Thomas Gambacorto;

H. R. 1221. An act for the relief of Eva Bilobran;

H. R. 1237. An act to regulate the marketing of economic poisons and devices, and for other purposes;

H. R. 1344. An act to admit the American-owned ferry *Crosline* to American registry and to permit its use in coastwise trade;

H. R. 1412. An act to grant to the Arthur Alexander Post, No. 68, the American Legion, Belzoni, Miss., all of the reversionary interest reserved to the United States in lands conveyed to said post pursuant to act of Congress approved June 29, 1938.

H. R. 1482. An act for the relief of the legal guardian of Gilda Cowan, a minor;

H. R. 1624. An act to authorize payment of allowances to three inspectors of the Metropolitan Police force for the use of their privately owned motor vehicles, and for other purposes;

H. R. 1874. An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

H. R. 2207. An act to authorize the Secretary of the Interior to convey certain lands within the Shiloh National Military Park, Tenn., and for other purposes;

H. R. 2237. An act to correct an error in section 342 (b) (8) of the Nationality Act of 1940, as amended;

H. R. 2257. An act for the relief of Southeastern Sand & Gravel Co.

H. R. 2353. An act to authorize the patenting of certain public lands to the State of Montana or to the Board of County Commissioners of Hill County, Mont., for public-park purposes;

H. R. 2368. An act to amend paragraph 8 of part VII, Veterans' Regulation No. 1 (a), as amended, to authorize an appropriation of \$3,000,000 as a revolving fund in lieu of \$1,500,000 now authorized, and for other purposes.

H. R. 2852. An act to provide for the addition of certain surplus Government lands to the Otter Creek Recreational Demonstration Area, in the State of Kentucky.

H. R. 2872. An act to amend further section 4 of the Public Debt Act of 1941, as

amended, and clarify its application, and for other purposes;

H. R. 3143. An act to authorize the construction, operation, and maintenance of the Paonia Federal reclamation project, Colorado;

H. R. 3151. An act to grant a certain water right and a certain parcel of land in Clark County, Nev., to the city of Las Vegas, Nev.;

H. R. 3197. An act to authorize the Secretary of the Interior to contract with the Mancos Water Conservancy District increasing the reimbursable construction cost obligation of the district to the United States for construction of the Mancos project and extending the repayment period;

H. R. 3348. An act to declare the policy of the United States with respect to the allocation of costs of construction of the Coachella Division of the All-American irrigation project, California;

H. R. 3604. An act to authorize the Methodist Home of the District of Columbia to make certain changes in its certificate of incorporation with respect to stated objects;

H. J. Res. 188. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the dead of the First Infantry Division, United States Forces, World War II; and

H. J. Res. 210. Joint resolution to extend the time for the release, free of estate and gift tax, of certain powers, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 26. An act to make criminally liable persons who negligently allow prisoners in their custody to escape;

S. 125. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to extend the benefits of such act to the Official Reporters of Debates in the Senate and persons employed by them in connection with the performance of their duties as such reporters;

S. 321. An act to amend section 17 of the Pay Readjustment Act of 1942, so as to increase the pay of cadets and midshipmen at the service academies, and for other purposes;

S. 597. An act to provide for the protection of forests against destructive insects and diseases, and for other purposes;

S. 614. An act to amend the act entitled "An act to provide for a permanent Census Office," approved March 6, 1932, as amended (the collection and publication of statistical information by the Bureau of the Census).

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned until tomorrow, June 18, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

796. A letter from the President, United States Civil Service Commission, transmitting a draft of a proposed bill to further amend the Classification Act of 1923, as amended; to clarify the meaning of references in the act of number of employees supervised and size of organization unit; and for other purposes; to the Committee on Post Office and Civil Service.

797. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 5, 1946, submitting a report, together with accompanying papers, on a preliminary ex-

amination of channel in Honga River, to the plant of White & Nelson, Hoopersville, Md., authorized by the River and Harbor Act approved on March 2, 1945; to the Committee on Public Works.

798. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 9, 1946, submitting a report, together with accompanying papers, on a review of reports on Essex River, Mass., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on February 28, 1945; to the Committee on Public Works.

799. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 5, 1946, submitting a report, together with accompanying papers, on a preliminary examination of Macks Point, Searsport, Maine, authorized by the River and Harbor Act approved on March 2, 1945; to the Committee on Public Works.

800. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 4, 1946, submitting a report, together with accompanying papers, on a review of reports on Greens Bayou, Tex., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on December 16, 1944; to the Committee on Public Works.

801. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 12, 1946, submitting a report, together with accompanying papers, on a review of reports on the Illinois River, Ill. (ground-water supply), requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on August 26, 1941; to the Committee on Public Works.

802. A letter from the Secretary of War, transmitting a draft of a proposed bill to amend the act entitled "An act to make provisions for the care and treatment of members of the National Guard, Organized Reserves, Reserve Officers' Training Corps, and citizens' military training camps who are injured or contract disease while engaged in military training, and for other purposes," approved June 15, 1936, as amended; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 3555. A bill to amend subsection (b) of section 303 of the Nationality Act of 1940, as amended; with an amendment (Rept. No. 595). Referred to the House Calendar.

Mr. GWYNNE of Iowa: Committee on the Judiciary. H. R. 3736. A bill to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended; without amendment (Rept. No. 596). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUCK:

H. R. 3870. A bill to authorize certain expenditures from the appropriation of St.

Elizabeths Hospital, and for other purposes; to the Committee on Education and Labor.

By Mr. O'HARA:

H. R. 3871. A bill to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEVENSON:

H. R. 3872. A bill to amend the Civil Service Retirement Act of May 29, 1920, as amended; to the Committee on Post Office and Civil Service.

By Mr. MILLER of Nebraska:

H. R. 3873. A bill to redefine the powers and duties of the Board of Public Welfare of the District of Columbia, to establish a Department of Public Welfare, and for other purposes; to the Committee on the District of Columbia.

By Mr. MUNDT:

H. R. 3874. A bill to authorize the city of Pierre, S. Dak., to transfer Farm Island to the State of South Dakota, and for other purposes; to the Committee on Public Lands.

By Mr. SEELY-BROWN:

H. R. 3875. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. CLASON:

H. R. 3876. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. FORAND:

H. R. 3877. A bill granting the consent and approval of Congress to an interstate compact relating to control and reduction of pollution in the waters of the New England States; to the Committee on Public Works.

By Mr. GRANT of Indiana:

H. R. 3878. A bill to amend section 3403 (b) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 3879. A bill to amend the Social Security Act to provide unemployment benefits for individuals who have been employees of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. MUHLBERG:

H. J. Res. 218. Joint resolution providing for the representation of the Government and people of the United States in the observance of the two hundredth anniversary of the founding of the city of Reading, Pa.; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States in relation to the Federal income tax as it affects community-property States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to amend the act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, known as the Hawaiian Organic Act, by amending section 73 thereof; and requesting the Congress to approve amendments herein set forth of chapter 78 of the Revised Laws of Hawaii, 1945; and to approve the making, insuring, or guaranteeing of certain loans; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 3880. A bill for the relief of Ludwig Pohoryles; to the Committee on the Judiciary.

By Mr. JONES of Washington:

H. R. 3881. A bill to permit Haruko (Yamamoto) Iki to return to and remain in the United States as a permanent resident; to the Committee on the Judiciary.

By Mr. RABIN:

H. R. 3882. A bill for the relief of Lawrence J. Dempsey; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

642. By Mr. SABATH: Petition of the City Council of the City of Chicago, petitioning consideration of their resolution with reference to request for inclusion in current budget of an appropriation for improvement of Calumet Sag Channel (part of Lakes-to-Gulf waterway north of Lockport, Ill.); to the Committee on Appropriations.

643. By the SPEAKER: Petition of the Board of Supervisors of the County of San Luis Obispo, petitioning consideration of their resolution with reference to endorsement of S. 866 and H. R. 2523; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, JUNE 18, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Once again, our Father, we come to Thee in prayer, on the same old terms, because of our need of Thy help and our faith that Thou dost govern in the affairs of men and wilt hear our prayer in the name of Christ Thy Son.

Thou hast given us the inner voice of conscience, and Thy Holy Spirit enables us to distinguish good from evil. But where we are to choose between two courses when both are good and commendable, then we need the crystal clarity of Thy guidance, that we may see one to be better than the other. Help us, O God, at the point of our uncertainty, for there is no uncertainty with Thee. Thou hast a plan. We would clasp Thy hand. That shall be to us better than light and safer than a known way.

Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 17, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nomina-

tions were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 50. An act for the relief of Joseph Ochrimowski;

S. 317. An act for the relief of Robert B. Jones;

S. 361. An act for the relief of Alva R. Moore;

S. 423. An act for the relief of John B. Barton;

S. 425. An act for the relief of Col. Frank R. Loyd;

S. 470. An act for the relief of John H. Gradwell;

S. 514. An act for the relief of the legal guardian of Sylvia De Cicco;

S. 561. An act for the relief of Robert C. Birkes;

S. 620. An act for the relief of Mrs. Ida Elma Franklin;

S. 824. An act for the relief of Marlon O. Cassidy; and

S. 882. An act for the relief of A. A. Pelletier and P. C. Silk.

The message also announced that the House had passed the bill (S. 254) for the relief of the legal guardian of Glenn J. Howrey, with an amendment in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3203) relative to maximum rents on housing accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 53) authorizing the Clerk of the House, in the enrollment of the bill (H. R. 3203) relative to maximum rents on housing accommodations, to repeal certain provisions of Public Law 388, Seventy-ninth Congress, and for other purposes, to make certain changes, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 379. An act for the relief of Kuo Yu Cheng;

H. R. 431. An act for the relief of the Columbia Hospital of Richland County, S. C.;

H. R. 553. An act for the relief of Arsenio Acacio Lewis;

H. R. 645. An act for the relief of Ben. W. Colburn;

H. R. 649. An act for the relief of Antonio Belaustegui;

H. R. 710. An act for the relief of Fritz Hallquist;

H. R. 988. An act to confer jurisdiction upon the District Court of the United States for the Western District of Kentucky to hear, determine, and render judgment upon the claims of certain property owners adjacent to Fort Knox, Ky.;

H. R. 1162. An act for the relief of Persis M. Nichols;